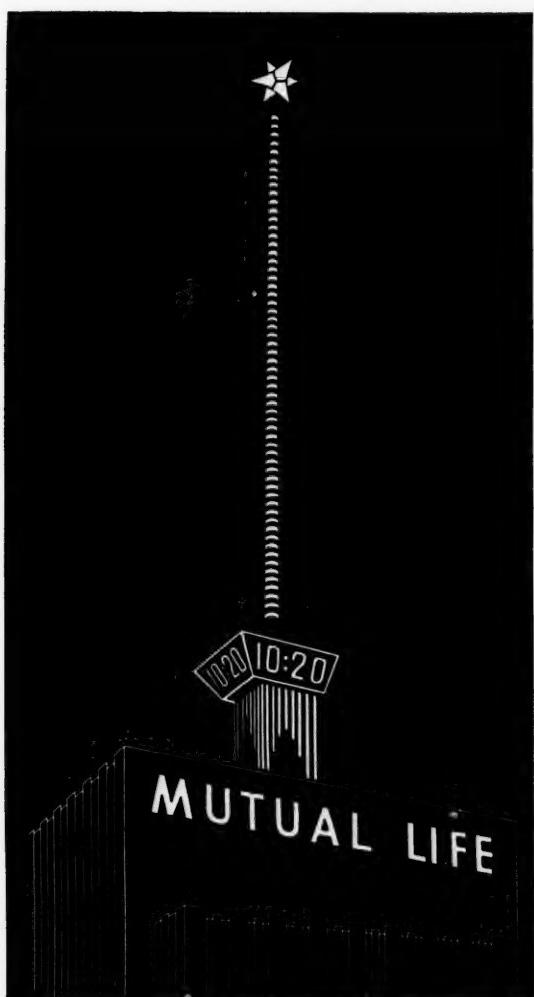


The NATIONAL UNDERWRITER

Life Insurance Edition

The Mutual Life **WEATHER STAR-**

New Landmark On Broadway



Any evening New Yorkers want to know the weather outlook they look at the sky above Broadway. There, on top of the new Mutual Life building at 55th Street and Broadway, shines the Mutual Life Weather Star, signaling the official Weather Bureau forecast.

This unique beacon towering one-tenth of a mile above Broadway is visible for miles. A simple color code is used to report the forecast. Bands of light run up the tower when the temperature is expected to rise—and down when the temperature is expected to fall. At the base of the tower there is a jump clock that tells the time in figures 7½ feet high.

The Weather Star went into action for the first time with appropriate ceremonies on August 30, during Mutual Life's Top Club and Builders Club conference. The Weather Star will help make the new building a landmark in the city and will give visual expression to the neighborly, helpful service to which the Company is dedicated.

Signals of
THE MUTUAL LIFE WEATHER STAR
Green light, weather bright
Orange on high, overcast sky.
Orange flashing, raindrops splashing
Flickering white, snow in sight.
(And watch the lights on the tower perform.
They run down for cold and up for warm.)

Our 2nd Century of Service

THE MUTUAL LIFE
INSURANCE COMPANY OF NEW YORK

BROADWAY AT 55TH STREET NEW YORK 19, NEW YORK

FRIDAY, DECEMBER 8, 1950

NUMBER FOUR in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

Compensated For SUCCESS

Field underwriters of the Equitable Life of Iowa are compensated on a commission arrangement based on the assumption of a lifetime career. A liberal and comprehensive contract featuring lifetime renewals for quality business, and other special remuneration, is the foundation of the compensation plan. This modern contract is supplemented with sickness and hospital benefit plans, and completed with Equifund, the modern retirement income plan for the Company's field associates which makes the term, Lifetime Association, a reality.

EQUITABLE
Life Insurance Company
OF IOWA



FOUNDED IN 1867 IN DES MOINES



THERE'S A REASON

. . . FOR our rapid growth. . . .
Liberal General Agency Contracts
Attractive Settlement Options
Cooperative Underwriting
Competitive Rates
. . . are but a few . . .

A talk with us should prove of interest to you.

PHILADELPHIA LIFE —
INSURANCE COMPANY • PHILADELPHIA 7, PA.
Established 1906
WILLIAM ELLIOTT, President

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 54th year. No. 49, Friday, December 8, 1950. \$5.00 per year (Canada \$6.00). 20 cents per copy. Entered as second-class matter June 9, 1900, at the post office at Chicago, Ill., under Act of March 3, 1879.

LEADERSHIP...



The upsurge of interest in non-cancellable Accident and Health insurance has focused the attention of progressive underwriters on our position of leadership in a specialized field.

THE Paul Revere Life
INSURANCE COMPANY
WORCESTER, MASSACHUSETTS

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NON-CANCELABLE ACCIDENT & HEALTH • LIFE • GROUP
Agency representation in the 48 states, the District of Columbia and Hawaii

COMPLETE PERSONAL INSURANCE COVERAGE

"REGISTERED
POLICY
PROTECTION"

LIFE HEALTH
ACCIDENT
HOSPITALIZATION
MEDICAL and SURGICAL
REIMBURSEMENT
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BROKERAGE
REINSURANCE



REPUBLIC NATIONAL LIFE
INSURANCE COMPANY

THEO. P. BEASLEY, President
HOME OFFICE

DALLAS, TEXAS

Life insurance in force exceeds \$305,000,000.00

December 8, 1950
54th Year, No. 49

Inflation, Coverage on Veterans Main Topics at LIA Meet

M. A. Linton Slated to
Succeed C. M. Shanks
as President

By ROBERT B. MITCHELL

NEW YORK—Inflation control and getting the government out of the life insurance business are the topics of foremost interest at the annual meeting here of the Life Insurance Assn. of America.

Measures that could be taken to restrain inflation, short of such direct controls as general price and wage ceilings and rationing, were intensively discussed, the feeling being that indirect controls are vastly preferable and would do the job if applied with determination.

President Carroll M. Shanks of Prudential, in his address as L.I.A. president, showed how the record gains of new insurance this year are largely being nullified by the shrinkage in the purchasing power of the dollar. Mr. Shanks aptly titled his talk "Life Insurance on the Inflation Treadmill."

Post-Service Aspect

In its efforts to get the government out of the life insurance business, L.I.A.'s approach is to confine itself to what happens after the serviceman gets out of the service, its attitude being that what kind of coverage is supplied to the men while they are in the armed forces is up to Congress. However, L.I.A. is prepared to present through President Ralph R. Lounsbury of Bankers National Life, who is scheduled to testify before a house subcommittee next week, the pros and cons of various plans that have been submitted. Unlike National Assn. of Life Underwriters, L.I.A. is not taking a stand in favor of any of the various proposed substitutes for National Service life insurance.

President M. Albert Linton of Provident Mutual is slated to be elected president of L.I.A. Scheduled to be directors are Mr. Shanks, P. F. Clark, John Hancock; L. W. Dawson, Mutual Life, J. G. Parker, Imperial of Canada; G. L. Harrison, New York Life.

The meeting opened with a short business session, followed by Mr. Shanks' presidential address, the manager's report by Bruce E. Shepherd, and a forum discussion on current topics, led by Mr. Shepherd. Following luncheon, there was an address by Dr. Winfield W. Rieffel, assistant to the president of the board of governors of the federal reserve system. The forum discussion continued, with Eugene M. Thoré, L.I.A. general counsel, as moderator.

The report on the 1950 record of life insurance investments, given by Dr. James J. O'Leary, director of investment research for L.I.A., is reported elsewhere in this issue, as is the address of Mr. Shanks.

The evening before the meeting there



M. A. LINTON



C. M. SHANKS

Record '50 Production of \$29½ Billion Marred by Drop in Purchasing Power

NEW YORK—According to present estimates, 1950 production of life insurance will total about \$29½ billion, exclusive of revivals, increases or dividend additions, said President Carroll M. Shanks of Prudential in his report as president of Life Insurance Assn. of America.

The total will comprise about \$17.5 billion ordinary, \$5.4 billion industrial, and about \$6.6 billion group. This means that not only the total but each individual class will break all previous new business records. Ordinary and industrial will exceed their previous highs by about 15% and 10%, respectively, while group will dwarf its previous record, set in 1949, by some 87%.

\$14.2 Billion More in Force

The 1950 new business will add about \$14.2 billion to the net amount of insurance in force at the end of last year, bringing the total life insurance in force to about \$228 billion, an increase of about 7%. It is estimated that the total number of policyholders by the year-end will be about 83 million.

Insurance in force is distributed approximately this way: \$145.1 billion ordinary, \$33.3 billion industrial, and \$49.7 billion group. Total premiums will run about \$8.2 billion this year. Benefits paid and credited to policyholders this year will total about \$4½ billion, made up of \$1,575,000,000 to beneficiaries of deceased policyholders and \$2,675,000,000 to living policyholders. This is about 7% ahead of last year. About \$3,775,000,000 was added to policy reserves.

Assets Up 7%

Mr. Shanks said that assets will also show about 7% increase, reaching approximately \$64 billion at the year-end.

Pointing out that in the five years now ending almost twice as much business was written as in the previous five years, while insurance in force has risen by 50%, Mr. Shanks emphasized that these achievements are measured in terms of current dollars and that a more realistic appraisal of the 1950 life insurance record would take account of some general trends in the economy and particularly the strong evidences of inflationary developments since the middle of the year. By mid-October, the bureau of labor's consumer price index was 174.8, an all-time high and 36%

was the reception which has become a regular feature of L.I.A. meetings.

For the first time in many years the L.I.A. meeting is not being held at the Waldorf-Astoria. It was originally scheduled to be held there next week but when National Assn. of Insurance Commissioners picked that week for its Los Angeles meeting, L.I.A. naturally wanted a meeting date that would not conflict. However, the first week in December has for many years been reserved by the Waldorf for National Assn. of Manufacturers but the management accommodated the L.I.A. convention at the Roosevelt, which is under the same management as the Waldorf.

Institute of Life Insurance will also hold its meeting Friday at the Roosevelt, as did Assn. of Life Insurance Counsel earlier in the week.

above the war-end level. No later figures are available as yet but Mr. Shanks said there is no doubt living costs have increased still farther.

This situation merely emphasizes the fact that since early 1939 policyholders are largely "running fast on a treadmill" in their effort to provide more adequate protection for their dependents. They are being robbed of much of the real gains in economic security that life insurance coverage should give them.

Translating the 1950 year-end in force figure of \$228 billion into 1949 year-end dollars, Mr. Shanks pointed out this would mean a 1950 in-force increase of only 2%, rather than the 7% gain indicated on a dollars only basis.

AVERAGE IS OFF

Inasmuch as there will be somewhere around 3 million more policyholders at the end of this year than at the end of last year, this is equivalent to a decrease in average coverage per policyholder from \$2,672 to \$2,633 in terms of December, 1949, dollars. Translated into 1945 dollars, the 1950 figure would constitute an increase of only 12%, not the 50% that results when the decrease in the dollar's value is ignored. Furthermore, this reduced figure represents an average of only \$2,048 for each of the 83 million policyholders, comparing unfavorably with the actual coverage of \$2,140 each on the 71 million policyholders covered five years ago.

Similarly, life insurance assets, if translated into 1949 dollars, would show an increase of only 4%, not 7%. A 10-year comparison shows that despite the increase of 108% in dollar amount, the increase in terms of purchasing power is only 19%—"and the dollar is still slipping." Assets averaged \$474 per policyholder in 1940 but 1950 assets, in terms of 1940 year-end dollars, are equivalent to only about \$442 per policyholder.

Inflation Increases Need

"Life insurance in the face of inflation is even more necessary to most citizens than ever before, and retains its preeminent value as a means of providing for the future," Mr. Shanks declared. "It is our bounden duty to provide more life insurance for our people, while at the same time directing every effort toward the maintenance of the purchasing power of that protection."

The steps necessary to control inflation are well known, he said, but whether they will be taken will constitute an acid test of whether our form of government "can take the hard but necessary steps which hurt many, can withstand the pressure of self-interested groups, can hold to a course which to many is unpopular."

Cheek Starts New Term; Receives C.L.U. Diploma

RALEIGH, N. C.—Commissioner Cheek took the oath of office Monday for the remaining two years of a term to which he was appointed in 1949 and elected this year.

At the same time he received his C.L.U. diploma from Dr. Dan McGill, Julian Price professor of insurance at University of North Carolina. Mr. Cheek began his C.L.U. study in 1941 and took his final examination in 1948. W. H. Andrews, Jr., Jefferson Standard, Greensboro, former N.A.L.U. president, presided at the ceremony.

N.A.L.U. Placed Squarely Behind Gratuitous Indemnity

McKinney Testifies
Before House Veterans
Affairs Subcommittee

WASHINGTON—National Assn. of Life Underwriters support of gratuitous indemnity as a substitute for national service life, was voiced Tuesday at the house veterans affairs subcommittee hearings.

John D. Marsh, Lincoln National Life, Washington, N.A.L.U. trustee, made a brief statement, followed by Gordon McKinney, N.A.L.U. actuary, in detailed discussion of pending bills. After summarizing and criticizing bills to amend and continue NSLI and others to substitute a group and mutual plan, Mr. McKinney said gratuitous indemnity would overcome all points raised by the Hardy subcommittee.

"It would protect all servicemen uniformly. It eliminates the mortality and interest problem. Aviation cadets' costs could be cut approximately 40%. The manpower and administrative expense shortcomings of NSLI would be removed. In addition, the interest of veterans who have lost their insurability would be protected," he testified.

The witness said gratuitous indemnity was recommended to replace NSLI by the Penzole armed service committee, Hook commission, Hoover commission and Hardy committee. He objected to the group plan mandatory requirement of \$3 per month payment by G.I.'s and officers alike, under which he said the former would "subsidize" the latter. Gratuitous indemnity would solve other problems such as the Ohio train wreck and similar cases.

Under gratuitous cover, Mr. McKinney said the government could pay the same benefits now available under NSLI.

N.A.L.U. Opinion Since 1940

N.A.L.U. opinion that gratuitous indemnity should replace NSLI goes back to 1940, Mr. McKinney said. As basically all pending programs are "largely gratuitous," the gratuity "should be given to all on an equal basis."

The government entered upon U.S. government and NSLI programs "solely because commercial insurance companies could not endanger the savings of their millions of policyholders for whom they act as trustees," said Mr. McKinney. Veterans' low participation in NSLI "would seem to indicate their preference for insurance from commercial companies," he added.

In concluding, he said the gratuitous indemnity approach "gets the government out of the life insurance business. It limits the government's problems to their proper field."

Under questioning by committee members, Mr. McKinney estimated that with 3,000,000 in the armed forces, the cost of gratuitous indemnity would be \$100 million a year. It would not be more costly than NSLI. Some 75% of the companies still sell life insurance without extra cost, despite Korea. He had no estimate of difference in administrative cost between group and gratuitous. Under group he would "guess" the premium

(CONTINUED ON PAGE 17)

O'Leary Reviews Peak Investment Year, Looks Ahead

Reduction in Mortgages; Rise in Governments in '51 May Reverse '50

James J. O'Leary, director of investment research for L.I.A., analyzed the peak investment year of 1950 at the annual meeting of Life Insurance Assn. and for 1951 ventured to paint a picture of reduced mortgage loan operations, an increased demand in the corporate field for long-term money, and probable reintroduction of government financing as a major factor in the capital market.

Mr. O'Leary estimated that by the end of 1950, the assets of all U. S. legal reserve companies will approximate \$64 billion as compared with \$59.6 billion at the end of 1949. Holdings of many classes of investments will reach a new peak, he said. Year-end estimates indicate there will be \$16 billion of mortgage loans, \$10.6 billion utility bonds, and \$9.4 billion of industrial and miscellaneous bonds. Stock holdings will approximate \$2 billion and rail bonds about \$3.2 billion, a slight increase over 1949. U. S. government bond holdings, which at the end of 1948 amounted to \$21.6 billion and accounted for 45% of all the assets of U. S. companies, are not expected to exceed \$13.7 billion, or 21% of assets by the end of the year, according to Mr. O'Leary. His 1950 estimates were based on 10 month actual records for 135 companies accounting for 97% of the assets of all U. S. legal reserve companies.

Private Investments Up Greatly

According to the O'Leary report, the net increase in investments in private sectors of the economy once again exceeded the net increase in assets. Mortgages increased by \$3.2 billion, corporate bonds by \$1.7 billion, stocks by \$320 million, real estate by \$180 million and policy loans by \$162 million, or a grand total of more than \$5.5 billion as compared with additional assets of \$4.4 billion. According to Mr. O'Leary the difference was made up from the net proceeds of government bond sales and maturities. While the investment demand of the private economy continued to absorb all available life insurance funds, the pattern still was different in notable respects from what appeared to be the prevailing trends in 1949, he declared. Additions were made to the nation's plants and facilities on a large scale in 1950, but the equity markets were able to furnish more new capital than in 1949, he observed. The higher level of corporate earnings also helped to meet the capital requirements of the business community. There was a decline in the issuance of corporate bonds for new money and an increase in the volume of refunding. In the mortgage field, the demand for new money was much larger than in 1949. The companies added less to their holdings of corporate bonds than during 1949 and 50% of the net additional investments in the private economy during 1950 consisted of mortgage loans, he declared.

He observed that corresponding reg-
(CONTINUED ON PAGE 17)

C. E. Lien Heads New Organization of Col. Companies

Carl E. Lien, president of United American Life of Denver, has been elected president of the newly formed Colorado Life Convention.

Other officers are Clarence J. Daly, president of Capitol Life of Denver, vice-president; W. Lee Baldwin, president of Security Life & Accident of Denver, secretary; and John S. Sherritt, president Guarantee Reserve Life of Fort Collins, treasurer. These officers and C. E. Huff of National Farmers Union Life of Denver, comprise the executive committee.

In addition to the companies referred to above, membership in the new organization includes Colorado Credit Life of Boulder and the following all of Denver: Bankers Union Life, Fidelity National, Great Eastern Mutual Life, and Woodmen of the World.

Future meetings of the organization will be held at the discretion of the executive committee and meeting dates will be announced later.

The Colorado Life Convention was formed to foster high principles in the business, uphold the best interest of

policyholders, promote friendly relations between life companies and their policyholders and cooperation and exchange of ideas among the membership; to investigate carefully all legislative proposals affecting Colorado companies so that their policyholders through the convention may be heard publicly with reference to this legislation; and obtain information that will help the companies and their policyholders. The organization has the additional purpose of cooperating with the American Life Convention, the Institute of Life Insurance, L.I.A.M.A. and the Life Insurance Assn. of America advancing the interests of life insurance and to work in harmony in Colorado with these organizations.



Carl E. Lien

Slattery Gives Sales Tips at Reese Agency Meeting

D. Bobb Slattery, vice-president of Penn Mutual, declared at the fall marketing conference of the Reese agency at Philadelphia that mental attitude in selling must be a definite prearrangement and scheduling of ways of thinking about the job ahead, rather than simply a rearranging of prejudices.

Other speakers included Eugene M. Fitzsimmons of the Philadelphia social security office; William J. Probst, manager of sales promotion and advertising; Aaron M. Royal, manager of field training; Mr. Reese, Ralph G. Engelman, general agent at New York City, and S. S. Huebner of the University of Pennsylvania.

There were about 150 present, including 20 wives. Four agency members participated in the program, including Rumcie L. Tagnall, Sidney E. Coleman, Joseph F. Garland and John W. Fuss.

George Wright has been appointed assistant general agent of the Ohio State Life at Cincinnati. He was in the navy and has had life insurance experience.

Prudential War Clause Move Helps Those on the Fence

Seen as Significant Break in Attitude of Big Companies

Announcement of Prudential's war clause has aroused speculation that other companies would follow suit, but as of Wednesday there were none not already employing such a provision that were ready to give the final word.

Prudential has advised its agencies that military service must be considered probable for all males between the ages of 18 and 26, in 1A category. Hence, it instructed that war and aviation exclusion clauses be applied to all men in that group.

There is no doubt but what Prudential's action, climaxing a week of perhaps the bitterest military defeat in U. S. history, profoundly affected the thinking of other life companies, large and small. Only a few were so definite as to state they contemplated no such clauses in the foreseeable future. Most of those queried said they were considering it.

"We have no plans for a war clause tomorrow," said one underwriting executive. "The day after that is another story. We don't know."

Tendency to Tighten Up

There has developed a tendency for companies which had been employing various restrictions and limitations, instead of actual war clauses, to tighten up on these measures—even those which as recently as two or three weeks ago had announced liberalization policies.

Aetna, for example, had announced liberalization. A spokesman for the company said that changes in the international situation would necessitate review of the already reviewed policy.

Would Be a Relief

If Prudential's action presages a general adoption of war clauses, a lot of underwriting executives will heave a sigh of relief. Quite a few companies that would have liked to adopt a war rider have held off because of competition and agency pressure. Many of the smaller and medium sized companies have been loath to employ a war clause when the bigger companies weren't doing it.

The larger companies have held off, it is understood, not only because most of them are in a better position to control what type of business their agents give them, but to a degree because of not wanting to stir up an adverse reaction in Washington. When the war situation didn't look too bad, the companies might have been criticized for being alarmists or running for cover without due cause. Present conditions obviously would make any such criticisms look silly.

COMPETITION

One form of competition on war clauses that has been particularly exasperating to those companies that have had them has been the practice of a number of companies of rejecting applicants where it appeared that there might be any military hazard whatever. For competitive purposes such a company could say, "Look, we have no war clause" but actually it wouldn't even give a draftable young man any kind of protection.

(CONTINUED ON PAGE 20)



Win An Argument—Lose A Sale

It may be pleasing to your ego to win an argument with a friend or customer—or even your "boss"—but the wise salesman has learned that "it's better to win people than arguments."

It's really more satisfying—and certainly "better business"—to help a man arrive at the truth than to force him to admit defeat. This is particularly true in selling life insurance.

In a real sense, you, as an insurance salesman, "win the argument" only when you get the prospect's name on the dotted line!

Insurance in force November 1, 1950 — \$472,855,288

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

Attribute Some Sales Already to L. I. Wreck

NEW YORK—Although agreeing that it is still too soon to assess the full effect, many agents who sell on Long Island report the Thanksgiving eve railroad disaster there has made people insurance conscious, with respect to both life and A. & H. policies.

A few have already reported that doubtful customers contacted them after the wreck and reported they were ready to apply. Other agents declared that there had been an electric effect with regard to those who had been delinquent in A. & H. policies or who were contemplating discontinuing those in force.

There can be little doubt, according to another agent, that the accident, tragic as it was, should have a beneficial effect in the sales of insurance. At the same time it was brought out that such a catastrophe can be of great aid to a capable agent, who can emphasize its lessons to his clients.

Tragic Aftermath Reported

As one tragic aftermath, an agent reported the death of a father of two small children who had but \$1,000 of ordinary in force, no mortgage protection, or anything else. Only the week before the agent had called on this man in an endeavor to convince him of the need for a great deal more. Unfortunately, the prospect could not be convinced.

Travelers has received claims, mostly group life, on the Long Island Railroad disaster totalling \$86,700 on 12 individuals. The breakdown was \$39,950 group life, \$13,750 group accidental death, \$13,000 ordinary life, \$10,000 regular and \$5,000 employee life including double indemnity.

A Provident Mutual policyholder surrendered his \$10,000 policy with double indemnity about a month before the wreck.

Phoenix Mutual has received a claim on a \$2,000 policy which included double indemnity.

New D.B.L. Form in New York

The New York State Workmen's Compensation Board has released a new new claim form for use after Jan. 1 to be used for reporting disability benefits payments to persons who are unemployed when disability begins. The new form is intended to provide an exchange of information with welfare commissioners to eliminate possible duplication of payments.

The disability benefits law is expected to play an important part in relieving tax supported relief budgets by providing income to wage earner during periods of illness. A substantial part of the new cases of home relief and a small part of the aid to dependent children during 1949 was caused by illness or disablement which will now be covered under the law.

T.D.B. Statistics

The disability insurance service of the division of employment security of New Jersey has released a report made to the state's doctors discussing some of the claim problems related to medical certifications that have resulted since the state's disability benefits act went into effect in January, 1949.

The state department of health also has released some morbidity data based on the state disability benefits plan. The figures discuss the duration of cases, and their causes.

Fred G. Kimball, Jr., has been promoted to associate director of the Puritan marketing institute. Mr. Kimball has been assistant director since 1949 and is a graduate of the institute. After military service he was with John Hancock in Rochester, N.Y.

Harry Gardiner, NALU's Former Treasurer, Honored by N. Y. City Life Managers

NEW YORK—Harry Gardiner, general agent of John Hancock in New York City and former treasurer of the National Assn. of Life Underwriters, was honored as "Man of the Year in Life Insurance in Greater New York" at the annual dinner of the New York City Life Managers Assn.

Mr. Gardiner has been with John Hancock for 56 years and is a past president of the New York City managers' organization.

The dinner was held the evening of the Life Insurance Assn. of America meeting and was attended by many

home office executives and chief officials of national life insurance organizations.

On behalf of the managers association, John M. Fraser, Connecticut Mutual, presented to Mr. Gardiner a scroll and a Paul Revere sterling silver bowl, the mate to one that he was given at the recent N.A.L.U. meeting in Washington when he retired as treasurer.

Louis W. Sechtman, Aetna Life, vice-president of the managers organization, was toastmaster.

In spite of his long association with the Hancock, Mr. Gardiner is only 67. He started with the company as an office boy at Paterson, N.J., when he was 11 years old. Today there is more insurance in force in the Gardiner agency than there was in the entire company when Mr. Gardiner started work.

Mr. Gardiner became general agent of Hancock at Kansas City in 1920 and was named general agent at New York in 1921. The agency has become one of the company's top-producing offices.



Harry Gardiner

Announce New Reinsurance Double Indemnity Rates

North American Reassurance has announced the following new reinsurance premium rates for double indemnity benefits: Standard, 30 cents first year, \$1.10 renewal; medium, 45 cents, and \$1.50; and special rate, 60 cents, and \$1.90.

The medium rate was formerly referred to as 1½ times normal rates and the special rate twice normal rates.

John Hancock has lent the Dobeckmun Co. of Cleveland \$3 million for 15 years. Part of the loan will be used to retire a long-term loan from Equitable Society.

Col. Test Suit Opens; Involves Double Taxation

The test suit in Colorado, with Prudential as plaintiff, to determine whether the 2% premium tax should apply paid up additions purchased with dividends, has opened in Denver. The companies contend that this constitutes double taxation, since the money used to buy the paid-up addition is merely a refund of the original premium, on which a tax was paid.

Fraser B. Wilde, president of Connecticut General, spoke at a luncheon meeting of Hartford Kiwanis Club on life insurance company investment operations.

Cherry Tree

Many years ago there was a salesman who worked out of Philadelphia, selling books. He was also a clergyman and an author. Even if you have never heard of Parson Weems you know something of what he did. He wrote a life of George Washington and in that book he invented the episode of the boy Washington and the cherry tree. People who knew very little of Washington remembered the cherry tree.

When Parson Weems had his book published he sold his publisher the idea of the itinerant salesman, spreading out from the old idea of people visiting a store to buy a book. So Weems had more than the imaginative idea of the cherry tree. He had the idea of taking his book directly to the people.

Life underwriters can learn from Parson Weems that "Buyers don't come into the office." The important point is that in our business people don't buy an idea, they are sold it.

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

Investment departments of most life companies believe that farm loans will hold up for the first six months of 1951 but are hesitant to forecast beyond that. Assuming that restrictions and shortages under a defense economy will be increasing, observers question how much borrowing for expansion will be likely a year from now.

One interesting aspect of the matter lies in lately developing corn and cotton shortages this year. This might mean that more equipment, more land will be needed next year to expand these and other crops for possible emergency needs.

Land values, generally inflated anywhere from 10% up, are expected to hold. Even so, heavy payoffs are expected to persist.

May Lose Farm Hands to Draft

The question of possible loss of farm hands to the draft is another variable factor in the loan picture. This could curtail expansion unless local draft boards pursue a liberal exemption policy.

Metropolitan, which will have loaned about \$30 million on farms this year, has already received many applications for the first three months of 1951. On this basis, estimates are that business for that portion of 1951 will be more than 25% ahead of the first three months of this year.

Equitable's farm business this year will be around \$27 million.

During the last war farmers, who had little opportunity to purchase new machinery, were paying back more money than insurers could lend.

Actuary Vacancies in N. Y.

Vacancies for principal actuary (life) and associate actuary (casualty) in the New York department will be filled by unwritten examinations, without residence requirements, soon to be announced by the New York state department of civil service. Candidates will be evaluated on the basis of training and experience. They may file for either or both examinations.

The entrance salary for principal actuary is \$7,225, for associate actuary \$5,860. Five equal annual increases bring the salary to \$8,880 and \$7,120, respectively.

Principal actuaries must have had four years of experience, associate actuaries three. Candidates for the life post must have passed six of the examinations of Society of Actuaries and for the casualty post, four parts of the examinations of Casualty Actuarial Society.

Old Line Strike Called Off

MILWAUKEE—Non-supervisory employees at the home office of Old Line Life belonging to the independent employees union have called off their 5½ months' strike at the Milwaukee home office. The union has instructed the 75 striking workers, mostly young girls, to seek reemployment. The union has charges of unfair labor practice pending against the company with the NLRB. If these charges are upheld, the employer would be liable for back wages.

Old Line Life has asked the Wisconsin Employment Relations Board for an indefinite postponement of its action against the union on unfair labor practices charges, growing out of mass picketing of the home office. The union joined the company in seeking this postponement petition.

New York Life has purchased from Esso Standard Oil Co., a 5-story office building and adjoining cafeteria building newly constructed at Esso's Baton Rouge, La., refinery. The properties were leased to the seller on a long term net rental basis.

A.L.C. Fills Out Its 12 Committees

American Life Convention has named 98 executives to its 12 committees and 12 men to the board of regents for the life officers investment seminar. Those named committee chairmen follow:

H. S. McConachie, American Mutual Life, agents and agencies; Harry J. Stewart, West Coast Life, A. & H.; W. F. Poorman, Central Life of Iowa,

actuarial; Claris Adams, Ohio State Life, coordination; H. O. Fishback, Jr., Northern Life of Seattle, departmental supervision; L. D. Cavanaugh, Federal Life, Chicago, finance; Berkeley Cox, Aetna Life, insurance regulations; Dr. J. R. B. Hutchinson, Acacia Mutual, medical examinations; J. Howard Oden, North American Reassurance, meetings; Frazar B. Wilde, Connecticut General, program; James M. Drake, Empire L. & A. of Indianapolis, resolutions, and Willis H. Satterthwaite, Penn Mutual, uniform laws.

Moynahan Has Heavy Speech-Making Itinerary for Next Two Months

NEW YORK—President John D. Moynahan of National Assn. of Life Underwriters is here this week for a meeting of the N.A.L.U. executive committee and the Life Insurance Assn. of America annual meeting, besides which he will speak at several association meetings before he gets back to Chicago next week. Early in the year he will begin a trek that will take him to the west coast and Texas and return him home in mid-February.

Mr. Moynahan left Chicago last Saturday, spent Sunday going over the executive committee agenda in New York City with Executive Vice-President E. L. G. Zalinski; presided over the executive committee meeting Monday at N.A.L.U. headquarters, spending Tuesday there also; addressed the Bridgeport Life Underwriters Assn. at luncheon Wednesday; returned to New York City for the L.I.A. meeting Thursday; left to address the Philadelphia association luncheon Friday.

Speaks at Baltimore Saturday

Saturday he addresses the dinner celebrating the 50th anniversary of the Baltimore association. He will spend Sunday in Washington and remain there on association business Monday, departing for Chicago that evening. December 15 he will speak at the Cincinnati association meeting.

Mr. Moynahan's 1951 itinerary starts off with the following local association engagements, all being luncheons except as otherwise indicated: Jan. 8, Salt Lake City; Jan. 9, Spokane; Jan. 11, Seattle; Jan. 12, Portland, Ore.; Jan. 15, Sacramento; Jan. 16, Fresno; Jan. 18, San Francisco sales congress; Jan. 19, Los Angeles; Jan. 23, San Diego; Jan. 24, Phoenix; Jan. 25, El Paso; Jan. 26, New Orleans, where he will also attend the Metropolitan Life President's Club meeting Jan. 29-Feb. 1. After that he will take a week off, staying over in New Orleans for the Mardi Gras festivities.

Feb. 8, 9, and 10 he will address the Texas caravan sales congresses at San Antonio, Fort Worth and Houston, respectively, and then head back to Chicago.

Yeo and Nichols Named

Jack Yeo of Maryville and O. D. Nichols of Jefferson City are named assistant supervisors in the Missouri state agency of Kansas City Life.

Mr. Yeo has had 12 years life insurance experience. He is immediate past-president of Maryville Junior Chamber of Commerce.

Mr. Nichols has been an insurance man seven years and before that was in the shoe business. He is vice-president of the Lions club.

Pan-American Names Tyler

Pan-American Life has named Charles M. Tyler general agent in Greenville, S.C. Mr. Tyler is a graduate of the College of Charleston.

He has been Charleston manager for Liberty Life for five years, and was in the business for seven years prior to that.

plus \$10 monthly disability income per \$1,000 face amount of insurance, in case of policyholder's total and permanent disability before age 55. If disability is permanent and total,

policy matures at face value as endowment at age 65 (unless contract matures earlier).

For full details of this plan, write to S. J. Gilbert, Vice-President and Director of Life Agencies.

Quips Mark Chicago Managers' Dinner for Moynahan, NALU President

With Philip B. Hobbs of Equitable Society as toastmaster, the Chicago Life Managers dinner honoring John D. Moynahan, Metropolitan Life, new president of National Assn. of Life Underwriters, was bound to be a quip-studded affair but with it all there was plenty of evidence of real affection and admiration for "one of our boys" who made it to the top of the N.A.L.U. hierarchy.

For example, Charles Stumes, veteran general agent of Penn Mutual, observed, "When a representative of a poor, obscure company gets to be president of the National association, he must have something on the ball."

Gerard Brown, Penn Mutual, national committeeman of the Chicago Life Underwriters Assn., said of the guest of honor that "I have seldom known a year when he wasn't president of something."

Many Speakers on List

Others who spoke included Edson Chapman, Metropolitan Life, secretary-treasurer Illinois association; Earl Schwemmer, Great-Life, president Chicago Life Underwriters Assn.; James Francis, president of the Metropolitan Life's Chicago managers association; William North, New York Life, president Illinois association; Hans Franke, Ohio National Life, president of the Chicago managers; Nathaniel Seefurth, Northwestern Mutual, chairman of the N.A.L.U. federal law and legislation committee; Ralph H. Kastner, American Life Convention; Lee Parker, American Service Bureau; Harry Schultz, Mutual Life, on behalf of the Million Dollar Round Table; Elmer Grandson, Union Central, on behalf of the "500 anonymous committee members" of N.A.L.U.; W. W. Hartshorn, superintendent of agencies of Metropolitan Life, and Levering Cartwright, The NATIONAL UNDERWRITER.

On behalf of the managers Mr. Hobbs presented an illuminated globe on a stand to Mr. Moynahan, who responded in a brief talk.

Met's Conn. Veterans Meet

HARTFORD—Metropolitan Life honored more than 200 Connecticut members of its Veterans Assn. at a luncheon here. Carlton W. Cox, Paterson, N. J., national president of the association, praised the Connecticut group's work.

William J. Clancy, New Haven, was elected president of the state chapter, succeeding Charles H. Keen, East Hartford. James Keane, Danbury, and Joseph Kelleher, New Haven, were named vice-presidents; Mary Kaylor, Waterbury, secretary, and Agnes Collins, New Haven, assistant secretary.

Fulton W. Jenkins, superintendent of agencies in Connecticut and western New York, and William V. Hawkes, national vice-president and manager at Waterbury, spoke briefly.

Heads Ft. Wayne CLU's

District Manager John E. Dyer of John Hancock has been elected president of the Fort Wayne C.L.U. chapter.

It Needn't Be A Big Firm



Occidental Life
INSURANCE COMPANY OF CALIFORNIA
V. H. JENKINS, Senior Vice President

WE PAY AGENTS LIFETIME RENEWALS...THEY LAST AS LONG AS YOU DO

MONTHLY INCOME DISABILITY AND PREMIUM WAIVER CAN INCREASE YOUR BUSINESS

With Reserve Life's Monthly Income Disability and Premium Waiver combination, you can offer full protection to your policyholders. This unique protection plan provides waiver of premiums

plus \$10 monthly disability income per \$1,000 face amount of insurance, in case of policyholder's total and permanent disability before age 55. If disability is permanent and total,

policy matures at face value as endowment at age 65 (unless contract matures earlier).

For full details of this plan, write to S. J. Gilbert, Vice-President and Director of Life Agencies.

RESERVE LIFE INSURANCE COMPANY

• **DALLAS, TEXAS**

Wide Range of Subjects at Life Counsel Meeting

A wide latitude of insurance legal problems from policy surrender and ownership to those created by war and "non peace" were enthusiastically discussed at the winter meeting of the Assn. of Life Insurance counsel at New York.

Greeting the members, who had gathered from all sections of the country, Louis W. Dawson, president of the association and of the Mutual Life, stressed the value of the friendships as well as the contributions to knowledge

NEW OFFICERS ELECTED
President—Gerald M. Swanstrom, Northwestern Mutual.
Vice-president — William R. Shands, Life of Virginia.
Executive committeeman — Francis V. Keeling, West Coast Life.

these meetings produce. An excellent opportunity, he added, is always presented for making closer the ties between the companies.

Lead-off speaker was Barry Oakes, assistant counsel Bankers Life of Iowa. Citing a number of court cases, Mr. Oakes asserted that except in isolated cases the insurance contract has received fair and just treatment by the courts. It's well settled in law, he continued, that a physical delivery or surrender of a policy to the insurer is not a condition precedent to effecting the election to surrender for the cash surrender value. **Uncertainty Obviated**

Thus terminating the insurance, he added, obviates uncertainty to the insurer as to its liability on those policies not delivered or physically surrendered at the time an election to surrender the policy for its cash value is made by the insured.

The recognized right, Mr. Oakes said, of the insurer to insist on delivery or physical surrender of a policy before paying cash surrender value lends protection to it against the dangers of possible multiple litigation. The endorsement by interpleader protects the insurer in its efforts to extend to the insured up to the last moments of his life the exercise of such rights he bargained for in the contracts.

The insurer, the insured and the beneficiary, he concluded, are fortunate that out of the labyrinth of decisions on the questions have emerged rules that are uniform and that are fair and just.

Discussing the subject of divorce and policy ownership, Lawrence G. Dorety, California-Western States Life, asserted that often this is a matter of the company merely trying to protect itself. Life companies, he added, often become defendants in such cases, although he said he was glad to report that they at least have never been named correspondents.

Company Pays Twice

He cited one case where a husband sued his wife for divorce in the Hawaiian courts. The divorce was granted and property accordingly transferred. In the meanwhile his wife had moved to California. Then the man died and then his life policy was paid in Hawaii to the new beneficiary. However, the California courts ruled that the policy was still the wife's property. The result was that the company had to pay twice. One odd way the law has been interpreted, he stated, is that the court of one state may not recognize the divorce in another and yet may still award certain benefits to the plaintiff.

Eugene M. Thoré, general counsel for the L.I.A., reviewed the work of his association since the establishment of an office in Washington. He asserted that

life insurance as a whole has a tremendous responsibility in the nation's capital, and the fight must continue to the end that the disadvantage of a welfare state will be warded away from the life insurance business.

John Barker, vice-president and general counsel New England Mutual Life, who had been scheduled to speak, was unable to attend because of slight injuries sustained recently in an automobile accident.

Metropolitan Field Trainers to Meet

About 150 field training instructors and division supervisors of Metropolitan from the United States and Canada will take part in a five-day conference commencing Dec. 11 in Cincinnati at the Netherland Plaza. Cecil J. North, vice-president in charge of field management and Karl H. Kreder, assistant vice-

president and manager of the field training division, will preside.

Amer. National Has Rally

American National held a three-day meeting for general agents and managers at Phoenix. It was attended by 18 from the western division of the ordinary department. Ripley E. Bowden, division director, was in charge.

BOOST YOUR INCOME — BUILD A REAL FUTURE with this Liberal Agent-Planned Contract

The Midland Mutual went right to its successful general agency men—straight to the firing line—for full cooperation in writing and planning this popular Prosperity Contract. The result is a contract that offers you what it takes to make an agency truly prosperous. It gets right down to brass tacks on the things men in the field really need. It gives the whole agency a big helping hand right from the start.

Other Benefits Help You Get and Hold Good Agents

- Liberal first-year commissions
- Monthly expense allowance
- Extra 1st and 2nd year renewals
- Continuous service fee after vested renewals expire
- Attractive retirement plan
- Success-proven training plans

Write RUSSELL S. MOORE, Manager of Agencies, for agency details

The MIDLAND MUTUAL Life Insurance Company

250 E. BROAD STREET, COLUMBUS 16, OHIO

TERRITORIES OPEN		
Agency opportunities are open in these states—		
Ohio	North Carolina	Michigan
Pennsylvania	Tennessee	Illinois
New Jersey	Kentucky	Iowa
West Virginia	Indiana	California

Sees End of Large Estates

Accumulating or preserving a large estate in the future is not going to be easy, Mayo Adams Shattuck, Boston attorney, told Investment Bankers Assn. at its annual convention. He predicted in the not too distant future a ceiling for all practical purposes upon income earnings at not too high a figure, and an increasing taxation almost equaling confiscation of the bulk of substantial estates.

He said the aggregate of fiduciary funds is growing but that the size of individual funds is decreasing. Unless there is a sharp political reaction, he said, the man of great wealth is bound to be eliminated.

Salvatore Scrudato, Metropolitan manager in Irvington, N. J., has qualified for the Million Dollar Round Table.

NINETEEN FIFTY has been a good year for us.

We hope it has been a good year for you.

We extend our best wishes for a joyous Christmas season and a happy and profitable NINETEEN FIFTY ONE.

BANKERS LIFE
INSURANCE COMPANY
OF NEBRASKA

HOME OFFICE: LINCOLN

We Don't Believe in the "DIVINE RIGHTS" of the Home Office



All of the home office personnel at Standard Life are taught from the day they're hired that "the men in the field" provide the money for their salaries. So, if the wishes of the fieldmen can possibly be carried out—WE DO IT!

- Harry V. Wade, President

STANDARD LIFE INSURANCE CO. of IND.
INDIANAPOLIS, INDIANA

GENERAL AGENCIES OPEN IN Arkansas • Arizona • Florida
Illinois • Indiana • Kentucky • Louisiana • Maryland • Michigan
Missouri • New Mexico • Pennsylvania • Texas • West Virginia

Comptroller General Weighs Varied Service Life Insurance Proposals

WASHINGTON — The general accounting office would prefer any of the bills pending before the Noland subcommittee of the House veterans affairs committee, proposing to deal with the problem of protection of armed services' personnel and their dependents, to the present National Service Life system. This was made clear in a report from Comptroller General Warren to the subcommittee, which was followed by testimony of Charles L. Eckert and Lloyd Nelson of the GAO.

Whereas the armed services had been represented by a lot of "brass" at the hearings and in preliminary executive conferences with the committee staff, only one witness testified for the whole Defense Department. Admiral F. W. McMahon took a negative approach to problems involved, suggesting more study of them before adopting a legislative policy. They have already been studied several years, committee sources pointed out.

However, among various proposals, McMahon favored a plan which would give automatic coverage to service personnel for 120 days and provide that the men could get out from under the program on their own initiative only by writing through "channels." These procedures would make the program practically as compulsory as a gratuitous indemnity plan or a group plan contemplated under alternative bills drafted by the committee staff and introduced by Chairman Rankin.

Wants Premiums Paid

The comptroller general's preference is for a plan which would require premiums to be paid by servicemen, and he objected to any legislation contemplating continued insurance under a government program after a man leaves the armed forces. Such would "keep the government in a mutual insurance business," he pointed out.

Mr. Warren suggested a plan under which a gratuitous indemnity would be paid by government for service-connected death or disability, with premiums required for other coverage. He endorsed the idea of mutual insurance only for those veterans whose service-connected disabilities made them uninsurable by commercial companies.

Mr. Warren repeated in his latest report the view previously expressed that the question as to the general type of insurance program is one of policy for decision by Congress. However, he added, any such program should be designed to provide for "(1) adequate protection of dependents of service personnel, (2) appropriate contributions by the participants, (3) minimum consumption of manpower for operation . . . and (4) reasonable and equitable administration of the policy laid down by Congress . . ."

While two bills (HR 9772 and 9773) before the committee would effect "a major and constructive change" in the NSLI law, Mr. Warren said they would not meet the above tests. Adoption of an automatic and uniform coverage of

\$10,000 proposed in three other bills (HR 9769, 70 and 71) would also constitute a major improvement. However, under the post-service mutual feature proposed in these bills, the government would remain in mutual insurance similar to NSLI, with attendant administrative and manpower problems.

Would Limit Gratuity Cover

A gratuitous indemnity program such as proposed in two additional bills (HR 9437 and 9440), GAO said, would eliminate majority of defects in the present program and other proposed bills. However, such an indemnity program would contemplate payments in all cases of death during active military service. Mr. Warren did not think the government's obligation for protection of its service personnel extends that far.

Based upon the above reasoning, he concluded that a program of group insurance, with amendment to provide for coverage of veterans whose insurability has been impaired by military service would represent "fairly and equitably" government obligation to service personnel.

"Such a program," continued Mr. Warren, "would guarantee automatic and uniform coverage of all service personnel during periods of active service upon the payment of a nominal sum by payroll deduction—determined actuarially to cover the risk of normal death only, with the result that the government would assume the risk of all death attributable to the extra hazard of military service. Also, it would provide adequate and uniform protection for dependents of service personnel at a minimum of cost to the taxpayers and with a minimum consumption of manpower for operation."

Mr. Warren recommended that the advice of "independent professional actuaries" be secured with respect to "actuarial questions of major financial consequence" that would be involved in any insurance or indemnity program considered by Congress. He suggested that consideration of a program to modify or replace NSLI should also include a careful review of all laws granting benefits to servicemen's dependents.

Cost Estimates Impossible

Mr. Warren stated his office was not equipped to estimate future costs of any program "as they are contingent upon many factors such as the mortality rate extant in either time of peace or national emergency."

However, he suggested the matter might be approached "from the standpoint of what the cost would have been under any of the bills under consideration, had they been in operation" during the period of NSLI, 1940 to June 30, 1949. He added that an attempt would be made to prepare such data and report to the committee later.

Mr. Warren's report was accompanied by three exhibits analyzing the three different classes of bills pending before the committee: group and mutual military life, amendments to NSLI, and gratuitous indemnity.

Ewing Hasn't Given Up

Federal Security Administrator Ewing has not given up on passage of national health insurance despite the prevalent view that it would be discarded at least temporarily because of results of the recent election. In a Washington speech he urged passage of the administration health bill as a military and social necessity in the face of the crisis in national defense.

The Savannah branch of Carolina Life for the first time led all branches in the company's "Do Your Best" campaign.

Columbus, O., managers held a fellowship meeting Dec. 5. The film, "Newsweek Looks at Life Insurance," was shown.

Young Links Up Insurers in Attack on Mo. Pac. Plan

Robert R. Young of Chesapeake & Ohio Railroad and Allegheny Corp. has, with officials of Missouri Pacific Railroad, again taken up his advertising cudgel against insurers on Missouri Pacific's reorganization plan. He has been doing this at various intervals for many years. His current series of advertisements in daily newspapers is aimed at defeating the proposed interstate commerce commission plan for reorganizing the railroad, which has been in financial difficulty since 1931.

He has slanted his attack against "insurance companies" to which he attributes the I.C.C. reorganization plan. Life company attitude is said to be one of remaining aloof from a squabble over the current balloting being conducted among holders of the railroad's securities by I.C.C. to determine whether they approve its reorganization plan. The opponents of the plan have created a minor upswing in the price of the railroad's common stock.

Speculators apparently believe they have a chance to gain if the plan is defeated, assuming that it will give value to or improve the worth of equity securities of the railroad. Life companies in any event are in a sound position because they, as bondholders, stand before holders of common stock.

Companies involved are Metropolitan, Mutual Benefit, Prudential, New England Mutual, New York Life, Provident Mutual, Ins. Co. of North America. Harry Hagerty, vice-president and treasurer of Metropolitan Life, is chairman of the refunding and bondholders committee.

In 1941 the advertisements criticized a reorganization plan then being considered. It had been offered by John W. Stedman, then vice-president in the bond department of Prudential. The plan was labelled the "Stedman plan" and also comes in for criticism in this year's "ad."

Misidentified Company

In the Dec. 1 edition, THE NATIONAL UNDERWRITER erroneously identifies a letter written by Ralph C. Price as being directed to stockholders of Jefferson National. Mr. Price is a director and former president of Jefferson Standard Life and his letter criticizing the make-up of the board of directors of that company was directed to stockholders of Jefferson Standard Life.

Whipple on A.M.A. Panel

Life company lending practices and the reasons for them were outlined by Oliver M. Whipple, financial vice-president of Mutual Life, in a panel discussion at the finance conference of American Management Assn. at New York. He commented that unlike banks, life companies on the basis of a history show no need for asset liquidity. Since savings float into life insurance with such

regularity that except perhaps for a few months in 1933 they never had, in this century at least, experienced any net loss of funds, by nature they are long term investors.

Again they are unlike banks, he stated, where stress has been laid on the need for building of reserve and capital accounts, because life companies are limited to 10% of policy reserve and liabilities on the amount of surplus they may accumulate. The surplus must be kept in debt form because it is relatively so small that it cannot be exposed to the market fluctuations that go with equity investments.

Companion Life Issue Is Raised in Suit

OMAHA—Four policyholders of Mutual Benefit Health & Accident have brought suit here attacking the creation of Companion Life of New York. The suit asks that the directors who participated in the action be removed from office and that the money that was invested in organizing Companion Life be returned to the treasury of Mutual Benefit H. & A. According to the petition, Companion Life was set up when the affiliated United Benefit Life early in

1949 was denied renewal of its New York license. Mutual Benefit H. & A. issued a statement calling the allegations in the petition "utterly reckless and irresponsible." The statement declares that all steps taken in organization of Companion Life and the expansion program of Mutual Benefit have been taken with the full approval of the insurance departments of all the states. Companion Life wrote more than \$10 million in business last year in its first full year of operation. Mutual Benefit H. & A. will write well over \$90 million in premiums this year, the statement declared.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY Memorandum

FROM: Director of Training
TO: Advertising Manager
RE: New Sales Plans

Let's advertise our timely new Sales Plans which capitalize on the 1950 Social Security Act.

The attractive brochures for use in the interviews are easily filled out, individualized for each prospect, and available not only to our own representatives but to recognized brokers and surplus writers upon request to our nearest agency office.



From full-time representatives of other life companies we invite only surplus and special business not acceptable to their companies.

Massachusetts Mutual
ORGANIZED 1851

LIFE INSURANCE COMPANY
Springfield, Massachusetts

FERGASON PERSONNEL

Maintains a confidential placement service for insurance executives.

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330 S. Wells Street HArrison 7-9040
Chicago 6, Illinois

New Claims Form for N. J. T.D.B.

The New Jersey disability benefits administrative procedure has been modified to provide for the filing of claims on a new three-in-one form. The method combines the claim, the doctor's certifi-

cation and the employer's statement. Experience under the law has shown that nearly 8% of the claims received by the state disability insurance service should have been filed with private insurance companies.

Mutual Trust Fieldmen GET RESULTS... with ideas like this!

An effective method of selling Mutual Trust's low net cost juvenile policies is to compare the premium cost with the guaranteed cash value and the liberal accumulated dividends at 65 on the following basis:

1. If the father helps pay the son's premium until the son is 25.
2. If the son starts out alone at 25.

Here is how such a comparison works with Mutual Trust's Ordinary Life Preferred Risk contract:

Assume the son is 13. He purchases a \$10,000 Mutual Trust policy which costs \$135.40 a year. At 65, the guaranteed cash value and the accumulated dividends (current scale) will total \$12,208.20—a PROFIT of \$5,167.40 after deducting \$7,040.80 paid in premiums.

If the son buys the same contract at 25, the annual premium is \$185.30. The guaranteed cash value and accumulated dividends total \$10,217.70. Deducting the \$7,412.00 in premiums paid leaves the son a PROFIT of \$2,805.70. Thus you get:

Profit under father and son plan.....	\$5,167.40
Profit under son alone plan.....	\$2,805.70
Extra Profit	\$2,361.70

Or almost double the profit under the son alone plan.

"Nothing Better in Life Insurance"

MUTUAL TRUST
LIFE INSURANCE COMPANY
"As Faithful as Old Faithful"

Home Office: 135 South La Salle Street Chicago 3, Illinois

NEW 1950 NON-CAN
Accident & Sickness COVERAGES

Four basic policies plus optional extra benefits

BROKERAGE BUSINESS INVITED

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
CHATTANOOGA

protecting provident people since 1887

Investment Bankers Losing Business to Life Companies

The volume of publicly offered industrial securities available for underwriting by investment bankers continues to shrink with the main reason being private placements with life companies. Investment Bankers Assn. was advised by a special industrial securities committee report at its annual meeting.

This development will continue to expand and to shut off a substantial volume of public offerings of industrial securities through investment banking channels for some time to come, the report said, emphasizing that debt, rather than equity financing, will be encouraged by the trend. The pressure of funds for investment outlet will increase the competitive threat in the future, the report continued.

Even though he shares in some part of the private placement business, the investment banker is being relegated to the background by the million dollar monthly investments of life companies which give a total of several billion dollars more each year than the average of public and private offerings of securities in the open market, the committee chairman declared, adding that the impact of taxes was expected to add to the problems of the bankers.

In addition, a substantial volume of new equity issues are being removed from the competitive market through purchases by trustees in "prudent man" states, fire companies, charitable institutions, pension funds, mutual investment trusts, etc.

The bankers' convention took no action on the problem.

Leslie Hopes to Keep Job

PHILADELPHIA — Commissioner Leslie told a large gathering of insurance men and state legislators at a luncheon sponsored by Insurance Agents & Brokers Assn. of Philadelphia & Suburbs that he hopes to be reappointed commissioner. Discussing his department's growing budget, Mr. Leslie said he hoped to "get the opportunity to present the 1951-53 biennium budget" to the new legislature.

Mr. Leslie was introduced by Stanley Cowman, president of the local group, who suggested the Pennsylvania department should have a larger budget. In the 1947-49 biennium, Mr. Leslie said the budget was \$1,455,000. The department has been self-sustaining and is turning back about \$250,000 to the state treasury every two years. His recommended budget for 1951-53 is \$1,520,000, part of which is earmarked for rent in case the department must seek new quarters, and \$950,000 is for salaries. He said the department needs additional personnel, especially in the examination and auditing divisions.

Joint Group Plan in Canada

Four Canadian life companies—Mutual of Canada, Confederation, Great-West and London Life—have completed a joint group contract covering hospital, surgical and certain medical expenses, which is believed to be unprecedented in the Dominion. It involves the federal civil service and will be administered by Mutual.

The plan was arranged with the national joint council of Public Service of Canada. Virtually all of the 150,000 members of the Canadian civil service are eligible. Membership is on a voluntary basis. Although in effect less than a month, already 50,000 have decided to participate.

The last official act of Gov. Clements of Kentucky as he retired from his position to become a U. S. Senator was to name F. J. O'Brien, vice-president and director of sales promotion for Franklin Life, as a Kentucky colonel.

John P. Sedgwick, financial vice-president of State Mutual Life, has been elected a director of Worcester Mutual Fire.

Chubb & Son to Build on Site Leased from Prudential

NEW YORK—Chubb & Son is moving its administrative and accounting offices from New York to Millburn N. J., outlying Newark suburb. On ground leased from Prudential it will construct a modern two-story office building where about 400 of its 1,000 employees will be stationed. Activities at the new location will be directed by Albert C. Wall, administrative partner who, with William M. Reese, is arranging for the move.

Chubb & Son is taking over on 70-year lease 12 of the 135 acres of the site of a proposed shopping center to be constructed by Prudential as an investment.

The Prudential shopping center is still in the planning stage but envisions some 50 to 70 tenants. Mobilization economic, merchandise and construction controls may delay its completion, E. S. Allsopp, 2nd vice-president in the company's mortgage loan and real estate investment department, said.

Aid Labrador Development

Nineteen life companies have made commitments to take part in development of Labrador's iron ore. Harriman, Ripley & Co. of New York is handling distribution of the bonds, in the amount of \$100 million.

The bonds, to be issued by Iron Ore Co. of Canada, will be first and collateral mortgage of 3 1/4% obligations. They will be issued from time to time as the Labrador development progresses.

In answer to a recent appeal from the American Red Cross to form company blood banks, 14% of the home office staff of United States Life donated blood.

WEST COAST OPPORTUNITIES**LOS ANGELES**

Population: 1,954,036

Increase of 30% in 10 years.
The miracle city of America.
... teeming with new people
... opportunities ... several
good openings with West
Coast Life.

West Coast Life
INSURANCE COMPANY

SAN FRANCISCO

ADAPTABLE

Postal Agents are cashing in on Postal's new ADAPTABLE policy.

As a broker or surplus writer, you too will find it extremely adaptable to your many needs.

Send for descriptive folder

POSTAL LIFE
INSURANCE COMPANY
511 FIFTH AVENUE NEW YORK 17

Life more impairment would be Agents of medical for this.

These active role prolong are integ- laborato

Accord- leader, m- ciety, an- in t- the life interest ress. B- insurance health a- is of vita

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Improved Medical Knowledge Lowers Insurance Rejects

Life policies are being written for more and more persons with physical impairments who only a few years ago would have been labelled uninsurable. Agents can thank, to a great extent, the medical departments of their companies for this boost to their sales efforts.

These departments are taking an active role today in the nation's effort to prolong life and control disease. They are integrating their studies with those of hospitals, universities and a host of laboratories.

According to Dr. Harry E. Ungerleider, medical director, Equitable Society, and one of the more prolific writers in the field of insurance medicine, the life business has a very substantial interest in medical research and progress. Beyond the specific problems of insurance medicine, improvement in the health and longevity of the population is of vital concern to insurance.

The need for fostering research was recognized five years ago by insurers when they created the Life Insurance Medical Fund, making available some two-thirds of a million dollars annually for fundamental research in cardiovascular disease. The work he points out, has already proved fruitful.

Contribute to Knowledge

Altogether, Dr. Ungerleider says, the insurance companies are contributing to the sum total of our medical knowledge in an increasing degree. Clinical medicine and insurance-medicine he describes as being closely linked.

There are fewer rejections for policies because people are healthier, because doctors have a clearer picture of impairments, those which will be quickly fatal, those which will not measurably shorten the lifespan, and also because most agents are more careful themselves in accepting applications.

Deaths now, according to Dr. Ungerleider, seem to fall into two large and well-spaced groups—accidents among young people and mortality from various natural causes in middle age and beyond. At the same time he pointed out that heart disease, even though it heads the list of killers, is accentuated in people's minds because improved care has enabled those who do die of it to exist well beyond the point where they in all probability would have fallen victim to something else.

Puerto Rico Facilities Adequate for N.A.L.C. Meet

HARTFORD—Commissioner Allyn has returned from the visit he and Mrs. Allyn made to Puerto Rico at the invitation of its insurance commissioner and its government.

Mr. Allyn reports that he found conditions on the island quiet, with no signs of the revolutionary ferment that flared up there a few weeks ago.

He was received by Governor Munoz Marin, and talked with him about insurance and investment matters. He also had some shop talks with the Puerto Rico commissioner.

The possibility was discussed of holding next year's meeting of National Assn. of Insurance Commissioners, which Mr. Allyn now heads, on the island, whose climate and scenery greatly impressed him. The facilities at San Juan, the commissioner reports, would be splendid for the meeting, although it is still far from certain it will be held there.

Am. Farmers Wins Ark. Decision on Process Issue

The Arkansas supreme court has held that American Farmers of Arizona is not liable to the substituted service of process act of Arkansas where the insured, although a resident of Arkansas, got the policy in California while

temporarily employed in that state and in California suffered the injury about which the dispute arose. The case was American Farmers vs. Thomason. The statute provides for substituted service on the Arkansas commissioner in suits arising out of a policy issued to a citizen or resident of Arkansas by an insurer which is doing business in Arkansas without authorization.

The supreme court held here that not only was plaintiff's policy not issued in Arkansas, but there is no evidence that the insurer was doing any business in Arkansas when the pol-

icy was issued. The lower court held in favor of the plaintiff. There was evidence that in 1949, five years after the policy in question was issued, American Farmers had been doing business in Arkansas without authorization.

To Hold N. Y. Hearing on Aging

The New York state joint legislative committee on problems of the aging will hold another hearing Dec. 14 in the state office building in New York City. Sen. Thomas C. Desmond, Newburgh,

is chairman of the committee. Representatives of government, health, social welfare, labor and industrial groups will participate.

Columbian Agents' Board Meets

The producers' advisory board of Columbian National met at White Sulphur Springs, W. Va., with William T. Rudman, Rochester, N. Y., acting as chairman. Charles C. Robinson, vice-president, and Frank L. Shoring, director of field services, attended along with the eight board members.



A Helping Hand

During the past five years Northwestern National Life's messages on geriatrics have been making a steadily increasing contribution to the comfort and well-being of America's older citizens. In the days ahead, when demands on the nation's manpower resources may well reach an all-time high, the challenge of maintaining millions of elderly but thoroughly seasoned personnel at maximum productivity promises to take on real urgency. Thus a program aimed at lending a helping hand to older persons in their quest for more enjoyable, more meaningful living is also keyed to serve a broader national interest. The steady, appreciative response from all quarters of the continent underscores the good will which NWNL agents everywhere are deriving from this public service.

NWNL's Geriatrics Pamphlets Published to Date

(Copies free on request)

1. Your Thirty Best Years
2. Take Heart
3. Taking the 'Die' out of Diabetes
4. Your Life's Blood
5. The Bright Side of Bright's Disease
6. The Prospect for the Prostate
7. Are You the Ulcer Type?
8. Medicine for Minds
9. Catching up with Cancer
10. Your Gallbladder
11. Hormones on the Horizon
12. Consider Your Coronaries
13. Longer Life: Promise or Problem
14. Keep Your Colon Healthy

**NORTHWESTERN National LIFE
INSURANCE COMPANY**
MINNEAPOLIS, MINNESOTA

EDITORIAL COMMENT

Doctors Prove Value of Fighting Back

An article in the United States News reporting on interviews with candidates defeated in the recent elections disclosed a surprising tribute to the power of the opposition stirred up by the doctors against socialized medicine.

Many Democratic candidates, thinking to ride to victory on the wave of the supposed popularity of free medical service provided by the government, found the "fair deal" socialized medicine program to be a quack nostrum that the public wasn't buying to anything like the extent that its peddlers had figured.

In spite of the tremendous advantage that the party in power enjoys in propagandizing for its socialistic projects and the immense demagogic appeal inherent in offering something for what seems on the surface to be nothing, the efforts of the doctors succeeded in delivering a jarring setback to the powerful political forces lined up behind socialized medicine.

Before the election, our hopes were with the doctors but in view of so large a percentage of the public usually being a sucker for anything that looks like a free handout, we wouldn't have bet much on the success of the doctors' campaign, well organized and well

financed as it may have been.

Incidentally, it would be interesting to know how much the active cooperation of insurance people helped the doctors defeat socialized medicine advocates.

If enough of the people can be rallied in defense of the doctors to make it clear even to the defeated candidates what was responsible for the licking they got, then there is sound reason to believe that insurance agents can also muster sufficient popular support to defend their business when it is threatened.

However, in the glow of satisfaction that comes from seeing democratic processes defeat demagogic appeal, it should not be forgotten that it takes even the most vigilant groups of business or professional men a long time to become sufficiently aroused to take effective action. The typical pattern is to wait until it is almost too late before getting excited enough to throw back the enemy.

But the acknowledged success of the doctors' large-scale defensive should make it easier to interest many insurance men who might earlier have felt that it was a waste of time, that "you can't lick Tammany Hall."

Investment Criteria and New Sales Ideas

One who has attended a goodly share of sales meetings on business insurance, pension trusts, or on group, is usually perplexed by the somewhat contradictory advice that before attempting to sell these more technical services of life insurance, the agent should be thoroughly educated on various phases of law, trusts, taxes, etc. Before terminating such a suggestion, the speaker usually opines that selling business insurance or pensions isn't difficult and that the ordinary or new agent can hop right into the field. Resolving the conflict in these two suggestions is something that can be left for another time.

But a further bit of advice at these meetings—that the agent have a good backlog of continuing personal business before exploring unknown and technical fields—seems to offer no controversy. The suggestion seems to be the very essence of wise investment of time and energy in terms of potential success. A backlog of bread and butter business smooths the obstacles facing new endeavors.

It conforms with life company in-

vestment policy as well as with sound agency planning. Oliver M. Whipple, vice-president of Mutual Life, recently said that the investment men of the business always look for a prospective borrower's source of stable income—"his bread and butter money"—before they lend him funds to put money and energy into a brand new product. Companies can't lend to a new enterprise. In fact they require even an established business to prove that its bread and butter income will continue before they provide money for it to enter a new field.

What is a criterion for the investment department of his company would seem to be a good aim for the agent if he would assure himself of stable if temporarily decreased income while getting into the new line.

Without attempting to discourage excursions into advanced selling, it appears that personal business might well be the main income producer and sales target of the majority of agents and the one into which they should put their greatest and most consistent efforts.

The engagement of Miss Margaret Jackson, daughter of Mr. and Mrs. A. B. Jackson, to Ray E. Habermann, Jr., of Minneapolis is announced. Miss Jackson's father is president of St. Paul Fire & Marine, while Mr. Habermann's father, R. E. Habermann, Sr., is manager of the out-state division of the White & Odell state agency of Northwestern National Life.

President C. A. Sammons of Reserve Life of Dallas and Mrs. Sammons left Nov. 24 via Braniff International Airways for a tour of South America. Buenos Aires, Rio de Janeiro, Lima and other South American cities are on their itinerary. They will return to the United States before the end of the year.

Robert R. Reno, Jr., Equitable Society, Chicago, is enticing the elusive sailfish this week with a party of friends off Greyhound Key, Fla. The spot is about 80 miles south of Miami.

J. McCall Hughes, controller of Mutual Life, has been appointed chairman of the national admissions committee of the Controllers Institute.

Ellis J. Sherman, Northwestern National, Minneapolis, president of Minnesota Assn. of Life Underwriters, has been elected a director of Minnesota Heart Assn.

Newell C. Day, general agent for Equitable of Iowa at Davenport, and Mrs. Day, along with their daughter, Mrs. Joyce Fisher and her two children, were involved in a serious automobile accident recently near Mendota, Ill. Mrs. Day incurred a broken arm, concussions and scalp lacerations, while Mr. Day suffered leg and arm injuries and considerable shock. Neither their daughter or grandchildren were seriously injured. Mrs. Day was hospitalized but has returned home.

Lewis Douglas, chairman of Mutual Life and retiring U. S. ambassador to London, does not plan to return to government service, according to Associated Press. He is now planning a long rest on his ranch at Senoita, near Tucson.

Max McCollough, formerly executive vice-president of State Life of Texas, has been named director of the State Department's UNESCO relations staff. He will also serve as executive secretary of the United States national commission for UNESCO.

Directors of Phoenix Mutual gave Arthur M. Collens, retiring chairman, a dinner at which he was given a handsomely inscribed scroll in memory of his nearly 30 years' association with the company.

Gen. Otto L. Nelson, vice-president of New York Life, told of the work of the Chicago redevelopment commission in an address before the businessmen's conference on urban problems, held recently under auspices of the U. S. chamber of commerce at Washington.

Norma Wasson of Kansas City married Dr. Endreas Bard in a ceremony at Santa Monica, Cal. They will reside at Manhattan Beach, Cal. Miss Wasson, who is chairman of the Women's Quarter Million Dollar Round Table, will continue in life insurance, working out of the Soper agency of Phoenix Mutual at Los Angeles.

Raymond H. Weins, executive vice-president of the Equitable Society, is chairman of the employee group gifts committee of the Salvation Army 1951 appeal in New York City.

William H. Bender, Jr., general agent in New York City of National Life of Vermont, is recuperating at Presbyterian Hospital there from his second eye operation in the last two months.

25th Milestone for Dunsmore as Manager



Left to right, Joseph Dunsmore, Richard Dunsmore, William E. Walsh, 2nd vice-president Equitable Society; William J. Dunsmore, Jr., Mrs. William J. Dunsmore, William J. Dunsmore, Edith J. Gardner, secretary to Mr. Dunsmore, Harry A. Yost, 2nd vice-president Equitable Society; and H. R. Coursen, assistant manager of the Dunsmore agency.

The 25th anniversary of William J. Dunsmore as manager for Equitable Society in New York City was celebrated at a luncheon recently that was attended not only by the agency personnel and home office executives but by three sons of Mr. and Mrs. Dunsmore who are Equitable agents.

William J. Dunsmore, Jr., with Equitable in Philadelphia, will wind up 1950 in the half-million class. Joseph and

Richard, who are younger, are Equitable production club members though still students at the Wharton School of University of Pennsylvania, of which their father and older brother are graduates. A fourth son, Jack, also a Wharton student, was unable to attend. He is also a production club member.

William J., Sr., joined Equitable Society as an agent in New York City in 1923 after having worked for the Chase

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December 8, 1950

National Bank there. He became an assistant manager in 1924.

At the luncheon speakers included Vincent S. Welch, vice-president; and William E. Walsh and Harry A. Yoars, 2nd vice-presidents; Associate Manager Hans Wirsing, who was toastmaster; and Herbert G. Coursen, who read congratulatory letters from many well-wishers.

The Dunsmore agency has an average production of \$300,000 per member. Mr. Dunsmore's own production runs a million dollars a year. He was the first president of the New York City C.L.U. chapter and is a past president of the New York City Life Managers Assn.

DEATHS

RAYMOND W. BARNES, 61, a former general agent for Aetna Life, died at Syracuse, N. Y. A veteran of the first world war, he was with Aetna 1920-1937 and became a general agent in 1932.

FRANCIS C. BYRNE, 45, died at Binghamton, N. Y., after a brief illness. Mr. Byrne recently was appointed head of the Syracuse office of National Life of Vermont, having resigned a position with the R. C. Meadows agency at Binghamton to take the new post.

FRED S. KNIGHT, 63, vice-president and counsel of Weekly Underwriter, died at his home at Forest Hills, N. Y., after a 10-week illness. A graduate of Amherst and Columbia University law school, he was assistant secretary of workmen's compensation publicity bureau from 1914 to 1919 and then joined Weekly Underwriter as editor of its legal department. He was made vice-president in 1944 and was managing editor of Insurance Law Journal 1922-1925 and editor 1926-1938. He was one of the organizers and served as an officer of New York Insurance Bridge League. For many years he covered the meetings of International Assn. of Insurance Counsel and the insurance section of American Bar Assn. and was widely known among insurance attorneys.

GORDON W. THOMSON, 68, retired vice-president of West Coast Life passed away at his home in San Rafael, Cal., following a long illness. A native of Scotland, Mr. Thomson came to America in 1911. The following year he joined the old San Francisco Life as secretary and actuary. When that company merged with West Coast Life, Mr. Thomson joined the latter company as secretary and actuary. He was named vice-president in 1920 and retired in 1948.

RALPH E. DEMARIS, 57, Des Moines general agent of Columbian National

Life, died from a heart attack suffered while watching a community play.

IRA B. ANDREWS, assistant manager at Wilmington, N. C., for Metropolitan Life at the time of his retirement in 1935, died after a short illness.

MRS. AMANDA L. FULLERTON, 85, wife of Alfred R. Fullerton, retired expert on insurance law—formerly with Equitable Society, died at her home in Brooklyn.

MRS. BESSIE N. HAYS, 70, wife of Rolla R. Hays, retired general agent of New England Mutual at Los Angeles, and mother of Rolla R. Hays, Jr., of the Hays & Bradstreet agency at Los Angeles, and William Eugene Hays, general agent at Boston, died at her home at Santa Ana, Calif., from a heart attack.

Olmsted Group Move

Although no formal announcement has been made the Olmsted group of Des Moines is expected to go into the life field shortly after the first of the year through the Bankers Security Life which is now also under the management of the Olmsted interest.

Approves Results Clauses

CHARLESTON, W. VA.—Commissioner Crichton of West Virginia has approved the results type of war clause for most of the major life companies doing business in the state. Mr. Crichton has refused to O.K. any status type clauses.

Friesen Succeeds Bird

Dan W. Freisen has been named supervisor at San Francisco for Bankers Life of Iowa. He succeeds Cyril G. Bird, resigned.

Mr. Freisen has been district manager in Fresno, for three years. Mr. Bird has joined California-Western States Life as assistant manager at San Rafael, Cal.

Advance J. B. O'Brien, Jr.

James B. O'Brien, Jr., has been appointed president of the James B. O'Brien agency, Albany, N. Y., of Berkshire Life to succeed his father, James B. O'Brien, Sr., who will serve as chairman.

Following army service he joined his father and later became supervisor and vice-president.

Raise LIAMA Salaries 5%

A salary increase of 5% for the 80 employees of the L.I.A.M.A., effective Nov. 1, has been announced. The policy of considering merit increases will be continued.

Tampa Life Agency Cashiers Assn. heard a talk by William R. McKemie, Acacia Mutual Life, on cashiers as an important link between life insurance management and the field forces. The association has been accepted as a member of the national cashiers association.

OBSERVATIONS

Lack of Good Agents

Concern has been expressed by most companies as to agent recruitment, what with the draft and reserve organizations taking more and more likely talent. One company in the east, however, has expressed pessimism somewhat deeper than others. Its agency executives believe that they will be lucky if they end 1950 meeting their goal of two more men per agency per year. Unwilling to blame the international picture, however, they have privately expressed the opinion that talent is still available—that the blame must fall on themselves for not having aggressively sought the right men.

School Uses Life Methods

Recognition of the effective, dignified and factual institutional sales approach of the life insurance agent has been extended by Northwestern University. In its centennial campaign to raise money for new buildings, the school has adopted the standard solicitation manual outline prepared by Howard E. Clarke, who directs the C.L.U. courses for the university and is a professional sales consultant. Mr. Clarke, who is a C.L.U. himself, issues advice on the interview, the attitude and the close which sound very much like his charges to life insurance salesmen. There are many insurance men among those alumni who are solicitors for the campaign.

Drop in Young Applicants

Most agents are reporting very little business now from men of draft age or members of the armed services likely to be called to duty. During the summer this type of business caused many agencies to write record amounts.

There is, consequently, some differ-

ence of opinion as to whether the drop is caused by the majority of men in these categories being satisfied in their insurance needs, or whether they are waiting to see if the government is going to present them with policies. Many agents seem to lean to the former explanation.

Los Angeles Agency Mecca

Los Angeles, because of its phenomenal growth in the last few years, continues to be eyed by agency vice-presidents with the deepest of interest. One large company, for example, which already has three agencies operating in the sprawling metropolis, is planning to add still another next year.

State Insurance Plans Not Favored in Ohio

COLUMBUS, O.—Legislative leaders believe that the new assembly, which will convene Jan. 1, will not take kindly to state insurance.

Bills will be introduced calling for compulsory temporary disability insurance, but it is now believed that the outlook is not at all favorable for such legislation. Three members of the commission studying the subject, who were favorable to the proposal, will not be in the next session. They will remain, however, on the commission. Neither a compulsory automobile insurance law nor a state fund for compensating victims of automobile accidents is considered likely now, but advocates of such measures are still active.

A testimonial dinner for **Harry B. Wilson**, Irvine, Ky., local agent and former Kentucky commissioner, was given at Lexington, Ky., in observance of the 50th anniversary of his agency. C. P. Thurman, Lexington, also a former commissioner, was a guest. Mr. Wilson is a former president of Kentucky Assn. of Insurance Agents.



Group Insurance Plans for Every Purpose . . .

Agents and brokers will find the United States Life portfolio of Group Insurance plans most complete. Employer-Employee plans have many flexible features.

Check this list of United States Life Group Insurance coverages . . .

- Life—Wholesale
- Creditors' Group
- Accidental Death & Dismemberment
- Accident and Health
- Hospital, Surgical and Medical Expense Benefits
- State Disability Benefit Plans
- Employer Groups, Labor Unions, Trusteed Plans
- Civil Service Groups considered

Home Office Group Insurance specialists are available for consultation and assistance. Call a United States Life General Agent for complete information and literature on these outstanding group insurance plans.

The United States Life
INSURANCE COMPANY
IN THE CITY OF NEW YORK
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1850 • Our 100th Anniversary Year • 1950

ALFRED MAC ARTHUR
Chairman of the Board

J. HARRY WOOD
President

LIFE AGENCY CHANGES

Payton to Retire as L. A. General Agent

Albert E. Payton, general agent of New England Mutual Life at Los Angeles since 1922 and with the company for 37 years, will retire from the partnership of Payton, Dunn & Bare Dec. 31. Henry W. Dunn and Bruce Bare, who joined Mr. Payton in 1945, will assume full direction of the agency.

Following several years in the banking field, Mr. Payton joined New England Mutual as district manager for northwest Iowa. At Los Angeles his agency's annual production grew from slightly over \$500,000 in 1922 to more than \$6½ million in 1945. In 1943 the agency won the President's Trophy awarded annually to the company's outstanding agency.

Mr. Payton is a past president of Los Angeles Life Managers & General Agents Club. His son, Harold E. Payton, is with the Payton, Dunn & Bare agency.

Burt Quinnell has become brokerage supervisor with Life Associates, general

agency for Continental Assurance at Chicago. Mr. Quinnell has been in insurance since 1925 and was a cashier for Continental Assurance. Following war service, he became manager of the premium accounts division for Continental. Since 1948 he has been with Herman A. Zischke & Associates, pension specialists at Chicago.

Trussell, Bash, Proffitt New Mutual Managers

Mutual Life has named Albert C. Trussell manager at New York City, Jack M. Bash manager at Chicago and Roy A. Proffitt manager at Charleston, W. Va. Promotions of Mr. Trussell and Mr. Bash are effective immediately and Mr. Proffitt will take his new job on Jan. 1.

Mr. Trussell has been assistant manager of the Buesing agency at New York City since 1949. He will head the agency managed by Harry S. Hull, Jr., who has been transferred to Pittsburgh as manager. Mr. Trussell has been with Mutual Life for eight years and is a graduate of Syracuse.

Mr. Bash joined Mutual Life at New

York City in 1941 and has been on the staff of the director of training at the home office for the past year. He became an assistant manager in 1947 at New York City. He holds a law degree from New York University and has served in the army.

Mr. Proffitt joined the company at Charlotte in 1936 and had been an assistant manager since 1945 until last June when he was appointed to the home office training staff. He is a University of North Carolina graduate.

At Chicago Mr. Bash succeeds Samuel Heifetz, who has retired, and Mr. Proffitt succeeds Robert C. Mahoney, who has resigned as Charleston manager.

Lincoln National Names

R. W. Angert at Cincinnati

Richard W. Angert has been appointed general agent in Cincinnati for Lincoln National.

He began his sales career in Cincinnati more than 20 years ago with Remington-Rand. He entered life insurance as an agent in 1937 and within a year was promoted to supervisor. After army service he returned to Cincinnati in 1945 and served as general agent for Penn Mutual for five years.

Mr. Angert has been secretary-treasurer of the Cincinnati General Agents & Managers Assn. and is a past president of the Cincinnati C.L.U. chapter.

Elling, Hagander Appointed

L. M. Elling has been appointed assistant general agent and C. L. Hagander supervisor at Minneapolis.

Mr. Elling, who recently returned to active duty with the navy, has been with Lincoln National in Minneapolis since 1946. Since 1947 he has been a district agent.

Mr. Hagander, prior to joining Lincoln National in Minneapolis in 1948, had 11 years' experience in home office departmental supervision.

Patterson to Greensboro for National of Vermont

Carl Patterson of Atlanta has been appointed general agent of National Life of Vermont at Greensboro, N. C. He started in life insurance several years ago in Atlanta with Penn Mutual, soon becoming assistant general agent.

He was in the real estate business for several years before he entered the army. Later he held an administrative post in a veterans administration hospital at Louisville.

Hancock Advances Seaman

Milton B. Seaman has been promoted to district manager at Jersey City by John Hancock, succeeding Joe D. Bain, resigned.

Mr. Seaman has been a regional supervisor in Greater New York. This position is now filled by Gordon F. Mott, formerly an assistant district manager at Hempstead Town, N. Y.

Marion to Pilot at Macon

Pilot Life has appointed John W. Marion as general agent at Macon, Ga. He has had several years' experience in life insurance at Columbia, S. C. He is a native of Georgia.



R. W. Angert

Kesterson Cincinnati Head

Marc J. Kesterson has been appointed manager at Cincinnati by State Life of Indianapolis. He attended University of Cincinnati and the army air force operations college. He has been in the life insurance business five years.

Burkett Now Ass't Manager

Frederick M. Burkett has been appointed assistant manager of Prudential's Walter S. Payne agency at Los Angeles. Before joining Prudential he was district manager with General American Life there.

Metropolitan has transferred Joseph E. Frances from the Back Beach district on Long Island to the Jamaica district as manager. He has been with the company for 20 years.

Jefferson Standard has appointed John H. Smith as district manager at Springfield, Ill. He has been district manager at East St. Louis for two years and in the business for 10 years.

The Ralph L. Theisen agency of Northwestern Mutual Life in Denver has moved to 1643 Grant street.

5 STEPS TO AGENCY SUCCESS

H. O. TRAINING SCHOOLS

PRIZE WINNING SALES AIDS

ANNUAL CONVENTIONS

GENERAL AGENTS ADVISORY COUNCIL

4-WAY INCOME PLAN

5 RUNS H

American Mutual life

INSURANCE COMPANY
DES MOINES 7, IOWA

A General Agency Company

NOTICE TO SUBSCRIBERS

When changing your address, please advise your postmaster and the National Underwriter four weeks in advance, furnishing both your old address (printed label on cover) and your new address in order that copies of the National Underwriter may continue to reach you without delay. This notification may be made by letter or post office card Forms 22 and 225 respectively, which your postmaster will supply upon request.

THE NATIONAL UNDERWRITER

Circulation Department
420 E. Fourth Street, Cincinnati 2, Ohio



"Does this entitle us to group insurance rates?"

Bankerslifemen Have To Answer Many Unusual Questions

Questions that have to do with all phases of life insurance are daily experiences of Bankerslifemen . . . but we honestly don't know any who have been asked the question above.

The typical Bankerslifeman is prepared to answer from his own experience and training practically all of the day-to-day questions which he is asked. He has been trained to know how to find the answers he needs to get from someone else. Therefore, he is in a position to render the highest type of service to his clientele . . . and is anxious to do so.

This desire to serve effectively makes the typical Bankerslifeman the kind of life underwriter you like to know as a friend, fellow worker or competitor.

BANKERS Life COMPANY
DES MOINES



John W. Marion

NEWS OF LIFE COMPANIES

Stockholders Approve Doubling of B.M.A. Capital

Stockholders of Business Men's Assurance have now approved a recommendation made by the directors to increase its capital from \$2 million to \$4 million and to increase the shares of stock from 20,000 to 40,000, retaining the par value of \$100. This was accomplished by transferring \$2 million from surplus.

The last increase in capital was in 1945, when the company's assets were just under \$43 million. They are expected to approximate \$90 million at the end of this year. Life insurance in force was then a little less than \$200 million and by the end of this year will exceed \$470 million. A. & H. premium income at that time was less than \$5 million and in 1950 is expected to be over \$12 million.

Imperial of Canada to Make 10 for 1 Split

Stockholders of Imperial Life of Toronto, Jan. 24, will vote on a proposal to split the stock 10 shares for one. This is the same relative split that Sun Life of Canada is making. This move is now authorized under the Canadian and British insurance companies act. President J. G. Parker stated that this would permit wider distribution of stock. Capital of Imperial Life is \$1 million consisting of 10,000 shares of \$100 par value. The company has been paying dividends at the rate of \$15 per share annually.

26 Complete H. O. Course

Twenty-six field men representing 21 agencies of New England Mutual this week completed a home office new agents' training course. Those attending had completed the basic training course and qualified with adequate field experience. The course consists of lectures, clinics, and practical demonstrations of methods of life insurance selling and policyholder service.

Runs Home Office School

Penn Mutual has been holding an agency building school at the home office for 16 men from the field. The school reached into every department of the company for specialists in all phases of company operation and into the field to bring in men of experience and success. It was under the supervision of Vice-president D. Bobb Slattery, the classes being directly conducted by Aaron M. Royal, manager of field training, aided by Gardner H. Green, field training assistant.

Aetna Life Dividends

Aetna Life has declared a 50 cent extra dividend along with the regular 50 cent quarterly, both being payable Jan. 2 to stock of record Dec. 8.

Expand Group Dept. Space

Pacific Mutual has taken over large areas of its home office building from former tenants to meet space requirements of its expanded group department. The group department floor space is being increased by 600% and new quarters provided for the personnel and payroll department.

Travelers Dividend

Travelers is paying a special dividend of \$2 per share Dec. 13 to stock of record Dec. 1 along with the regular quarterly dividend of \$3 per share.

Sets President's Month Record

Sun Life of Canada has completed its biggest president's month in history. During the campaign to honor President George W. Bourke, every agency division reported an increase over business a year ago.

John Hancock Makes Color Print of "Day of Decision"

John Hancock has had large full-color reproductions of the mural painting "The Day of Decision" which hangs in the home office lobby. It is by Barry Faulkner, outstanding mural painter.

The mural, which portrays the adoption of the Independence Resolution on July 2 in Philadelphia, not only symbolizes the idea of independence but also points up the American habit of seeking security only through self-reliance, both of which concepts are basic to life insurance.

The color print is suitable for framing.

North American of Canada Passes \$600 Million Mark

Two years since North American Life of Toronto passed the half-billion mark in insurance in force its life insurance and pension plans in force amount to more than \$600 million. Assets exceed \$135 million.

Boost Unity Mutual Capital

Unity Mutual Life & Accident of Los Angeles has been authorized by the

California department to issue a stock dividend of 25,000 shares of \$1 par value stock and to sell 50,000 shares of the same par value. It will thus increase its capital from \$25,000 to \$100,000.

Directors of Life & Casualty have approved action of stockholders voting a 33 1/3% stock dividend, and this increasing capital stock from \$6 million to \$8 million, the dividend payable Dec. 29.

An increase of capital stock from \$15 million to \$20 million, previously voted by stockholders, has been approved by directors of National Life & Accident.

Green and Cox Shifted

Hart D. Green, who has been associate agency manager of American Hospital & Life, has been named manager at Little Rock. J. S. Cox, formerly manager there, has been transferred to Houston as associate manager.

No L. I. S. A. in New York

An article in the New York Herald Tribune said that New York savings banks are interested in the life insured savings account plan used by the Bank

of America in California. However, the story included a quote from the Savings Bank Life Insurance Fund president, Clarence E. Clantz, which indicated that it contemplated no change in its present plan and that the New York savings banks had tried a similar plan about 20 years ago and are much happier with their present method of operation.

Issue Pension Report

C. A. Macauley & Associates of Detroit have put out a report on pensions in which they caution company management to have either a plan for a suitable pension, a satisfactory substitute, or a convincing presentation proving that pensions are out of the question. It declares it entirely unnecessary and most unwise for a company to be unprepared when, not if, the demand for a pension plan arises.

Texas Dept. Ups Robuck

AUSTIN — Charles H. Robuck, Jr., assistant director of the general liability section of the Texas department, has been advanced to director to succeed Dean A. Whiffen, who has resigned to become manager here for California-Western States Life. Mr. Robuck joined the department in 1946 and for a time headed the statistical section.

NINETEEN FIFTY-WON!

The turkey has come and gone . . . now comes the jolly old fellow with the red suit and white whiskers, and soon it will be time for the annual statements again.

And all that reminds us that 1951 will be our 50th year, during which we plan to celebrate — with something in the way of a good record, we hope — our half century of progress under our original and same continuous management.

The NATIONAL LIFE AND ACCIDENT INSURANCE CO.
NASHVILLE, TENNESSEE

C. R. CLEMENTS,
Chairman of the Board

EDWIN W. CRAIG
President

POLICIES

EASE TAX BURDEN

Conn. General Releases New Annuity Rates

Connecticut General has revised its individual single premium annuity rates, effective Dec. 1. The new rates, which, as was pointed out in last week's issue, are aimed at equitable distribution of the tax burden on single premium annuities since rates are increased only in those states where such a tax is collected, are 99% of rates previously in effect. The 1% reduction is made because the rates are base rates which contain no allowance for annuity taxes. The base rate without adjustment will apply in all states which do not impose premium taxes. In states where such taxes are imposed the base rate must be adjusted by adding an amount equivalent to the tax on the base rate. For example, if the base rate produces a premium of \$9,000 and the particular state imposes a 2% tax, the cost of the annuity will be \$10,098.

States are listed below and the rate of tax is shown for those which impose annuity taxes. The classification of the applicant will be on the basis of his residence at the time the annuity is applied for.

	Multiply Base Rate by	Multiply Base Rate by	
Ala.	1.025	Neb.	1.02
Ariz.	1.0	Nev.	1.0
Ark.	1.025	N. H.	1.02
Calif.	1.0235	N. J.	1.01
Colo.	1.02	N. M.	1.0
Conn.	1.0175	N. Y.	1.0
Del.	1.0	N. Car.	1.025
D. of C.	1.02	N. D.	1.025
Fla.	1.01	Ohio	1.0
Ga.	1.02	Oklahoma	1.0
Ida.	1.03	Ore.	1.0
Ill.	1.02	Penna.	1.0
Ind.	1.0	R. I.	1.0
Iowa.	1.02	S. Car.	1.0
Kan.	1.02	S. D.	1.0125
Ky.	1.02	Tenn.	1.015
La.	1.017	Texas.	1.0
Maine.	1.02	Utah.	1.0
Md.	1.01	Vt.	1.0
Mass.	1.0	Va.	1.0
Mich.	1.0	Wash.	1.02
Minn.	1.0	W. Va.	1.01
Miss.	1.0225	Wis.	1.0
Mo.	1.02	Wyo.	1.025
Mont.	1.02		

Illustrative basic single premium annuity rates for \$10 monthly income are shown below.

Age	Life	Install- ment	Cash Refund	Refund
6	11	4,521.29	4,608.47	4,629.04
10	15	4,388.59	4,479.00	4,501.45
15	20	4,206.59	4,308.04	4,331.09
20	25	4,004.63	4,123.90	4,149.45
25	30	3,782.24	3,927.29	3,957.11
30	35	3,540.24	3,719.03	3,755.15
35	40	3,281.37	3,500.58	3,544.99
40	45	3,008.97	3,273.77	3,327.71
45	50	2,726.10	3,040.21	3,104.96
50	55	2,436.11	2,801.78	2,878.76
55	60	2,142.86	2,560.85	2,651.38
60	65	1,854.71	2,320.05	2,425.54
65	70	1,574.81	2,082.56	2,204.93
70	75	1,310.25	1,851.62	1,994.41
75	80	1,067.06	1,631.24	1,798.75
80	85*	849.90	1,424.65	1,626.49
85*		661.83	1,234.33	1,497.83

*And over.

Monarch of Canada Revision

Monarch Life of Canada has brought out a new agent's manual, new application for policy part one and part two, new commission benefits, new policy plan additions and changes, revised underwriting rules and certain other changes in rules and regulations.

Double protection with pension plan and the double insurance plan are withdrawn. New plans are life paid-up at age 60, life paid-up at age 65, 10-year endowment, 25-year endowment, double protection to age 60, select double protection to age 60, select double protection to age 65 and single premium endowment at age 65.

Although the guaranteed rate of interest or dividend accumulations and

LIFE INSURANCE EDITION

policy proceeds is 2½%, the company will credit interest of 3% until further notice.

United Life & Accident has introduced a juvenile estate builder policy which provides \$1,000 of insurance per unit to age 21, at which time the insurance automatically increases to \$5,000. The policy becomes completely paid-up at age 65.

Mutual Life in 1951 will pay termination dividends on certain old policies that have maintained a favorable earning position when such a policy matures as an endowment or is surrendered for cash or extended term. The policies must have been in force for at least 10 years when they terminate.

L.I.A.M.A. Adds Nine

Nine life companies have been added to L.I.A.M.A.'s membership. They are Amicable Life of Waco, Tex., Home Friendly of Baltimore, Lutheran Mutual of Iowa, Palmetto State Life of Columbia, S. C. Security State Life of Boise, World of Omaha, La Laurentine of Quebec, Toronto Mutual and Forenade-Framtidens of Stockholm, Sweden, the last-named being an associate member.

RECORDS

Great-West Life's Nov. Sales Are Largest Ever

Breaking all previous records, Great-West Life's new business for November was \$25,121,850, bringing total sales to \$230,949,818 for the year to date, an increase of 5% over the entire year of 1949. Only once before, in February, 1949, did sales exceed \$25 million.

Group business for November was 40% ahead of 1949, and for the first eleven months of 1950 is up 8½ million.

The Chicago branch, with more than \$2 million of new business, led all branches, with Montreal 1 in second place, Winnipeg third, and California fourth.

R. Blair Price of Philadelphia led agents, followed by M. Galnick and R. M. Hirsch of Chicago. In fourth place, and tops for Canada, was M. D. Harman of London, Ont.

\$6 Million in 5 Weeks

The Newark agency of Prudential under Manager Charles W. Campbell led all of the company's agencies in ordi-

nary production during a special five week campaign Oct. 13-Nov. 17 in honor of the company's 75th anniversary by writing \$6,003,379 of ordinary plus a substantial amount of group life and casualty.

The leading agent was Frank Infant, Jersey City, with \$350,400 and Mrs. Sophie Beranski, Jersey City, was second with \$276,100. Lou Toya, Newark, was third with \$235,300. Twenty full time representatives wrote \$100,000 or more business during the period, five being in their first year of service and three of whom were women agents. The Jersey City unit under Assistant Manager Joseph J. Nagle, led all units of the agency with \$986,050 of production. Seven of the 10 Newark agency units wrote in excess of \$500,000 each.

The sales force of **General American Life** broke the monthly sales records in all classifications during October in honor of President Walter W. Head. Life volume during the month was \$7,262,570. Records also were set in group and A. & H. sales.

Short Is Milwaukee Speaker

Reginald C. Short, trust officer of the First Wisconsin Trust Co. of Milwaukee, will address Milwaukee Life Insurance & Trust Council Dec. 18 on "The Estate Planner's Neglected Friend."

ATOMIC AGE...

Small though the atom,
it recently posed this
underwriting problem:

APPLICANT: Mechanical engineer, cyclotron lab.

REACTION: "We're considering the unknown."

ACTION: More information secured from competent authorities and scientists in atomic research field.

DECISION: Accepted as applied for.

• CAC strives always to
match changing days
with progressive ways.

Continental Assurance Company
Chicago 4

ORDINARY

GROUP

GROUP PERMANENT



Associates
Continental Assurance Company
Transportation Insurance Company

Mentions Life Companies in Suit Against Bankers

Investment bankers tried to monopolize the underwriting of securities by eliminating life companies and other public investors from competitive bidding on issues, the government, through Henry V. Stebbins, special assistant to the attorney general, charged in its New York action against 17 leading Wall street investment banking firms.

He said that in 1941 and 1942 the bankers reached an agreement with institutional investors and the New York

insurance department whereby insurers agreed to withhold bids for new issues if the investment bankers guaranteed them the right to purchase at least 50% of the issues. He argued that the agreement tied up 50% of each issue and put a restraint on the market.

Judge Medina, who is hearing the suit without jury, commented that the public might benefit from the practice though the government considers it an attempted monopoly, basing his opinion on the government attorney's assertion that the underwriters agreed to reduce their compensation to a single point as part of the agreement.

Ye Olde Maine Almanac For 1950



For twenty bright and fruitful years,
He worked and toiled for others' good.
He sold insurance night and day . . .
A credit to his neighborhood.

A. Raw business.

PROGNOSTIX

EMBERS from the HEARTH

J	RESOLVE - Sell Union Mutual Insured Savings Plan
N	SLIPPERY - Good time to sell Union Mutual Non-Canc S & A
F	Income Tax Time - review of business needs for Business Insurance
B	SPRING - renewed vitality for selling Union Mutual Preferred Risk
M	Union Mutual Double Protection Plan sells easily
A	WEDDINGS - Need for Family Income
R	VACATIONS - Retirement Plans provide future vacations
M	Back to work - ideal Programming time
Y	SCHOOL AGAIN - sell Union Mutual Juvenile Insurance
J	New Homes ready - Mortgage Retirement protects family
U	Group and Wholesale make fine Xmas gifts for employees.
N	XMAS - Let the season be Merrer
D	
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UNION MUTUAL

Life Insurance Company
ROLLAND E. IRISH, President

Portland, Maine
Home Office

Founded in the
Year 1848

An Emblem of Distinction



Sound business management and very low mortality have given Lutheran Mutual the distinction of being one of the very lowest net cost companies in the United States.

Inquiries, regarding agency openings, are invited from Lutherans.

LUTHERAN MUTUAL LIFE INSURANCE COMPANY
Waverly, Iowa

AMONG COMPANY MEN

Mass. Mutual Promotes Two Investment Men

Massachusetts Mutual has appointed Morey I. Stearns as assistant manager of the mortgage loan records and accounts department and A. Newton Wells as a loan analyst.

Mr. Stearns graduated cum laude from Northeastern University in 1935. He joined the Massachusetts Mutual in 1929 and has been in the auditing, real estate, and controller's departments. He is an army veteran.

Mr. Wells graduated from Clark University. He joined Massachusetts Mutual in 1933 and his duties have been mostly in connection with mortgage loans and real estate, although he has also had experience in agency and pension trust work. He is an associate of the Life Office Management Assn. He has just been elected to the Clark University alumni council.

Morgan to Home Office

Baltimore Life has appointed Marling W. Morgan home office supervisor. Starting in 1934 as an agent at Pottsville, Pa., Mr. Morgan was promoted to staff superintendent at Tamaqua, Pa., in 1942. After navy service he rejoined the company at Williamsport, Pa. In 1949 he was made staff superintendent at Huntingdon, Pa.

Stalnaker to Prudential

Armand C. Stalnaker, personnel director of American Friends Service Committee of Philadelphia, has been named an economics and personnel specialist for Prudential's ordinary agencies department. His post will carry with it the title of associate regional manager.

Mr. Stalnaker studied at West Virginia University and Teachers College, University of Cincinnati and University of Pennsylvania. He also attended Ohio State University and served on its faculty from 1946 until early this year.

Named Tex. Field Supervisor

John A. Ferguson, agency secretary of Protective Life of Alabama, has been named field supervisor for Paul Revere Life and Massachusetts Protective with headquarters at Dallas. He joined Protective Life in 1946, following his discharge from the army air force as a captain.

Shriver to Home Office

Max D. Shriver, assistant general agent at Des Moines, has been appointed agency assistant at the home office of Aetna Life, effective Jan. 2. His duties will include instructing in state control and business life insurance plans at the company's home office training school.

He joined Aetna at Des Moines following graduation from Drake University in 1940. He returned there after serving in the navy, being advanced to agency supervisor and to assistant general agent last June. He is a director of Des Moines Assn. of Life Underwriters.

North Training Head

John E. North has been named supervisor of sales training of Massachusetts Protective and Paul Revere Life. He started with Prudential in 1934 at the home office. Two years later he became an agent for Equitable Society at Cleveland. He joined Loyal Protective and in 1945, was named a field supervisor for New England. In 1949 he went with Paul Revere as Cleveland brokerage manager.

Clifford K. West has been named assistant general manager of Toronto Mutual Life and Richard R. Braham treasurer. Mr. West has been with the company 23 years, serving lately as registrar.

Sanford Executive V.-P. of N.W. Life of Seattle

Otto D. Sanford has been elected executive vice-president of Northwestern Life of Seattle. Formerly assistant vice-president of Northern Life of Seattle, Mr. Sanford has spent his entire business career in life insurance—26 years



OTTO D. SANFORD

with Northern Life. In the home office he worked his way up through the underwriting and issue departments. In recent years he has been serving on the executive and agency committees. The last few years he has devoted his time exclusively to agency development work in the middle west and California.

He been a resident of Washington for 40 years and is a veteran of the first world war. He is a past president of Insurance Society of Washington and formerly was active in Home Office Life Underwriters Assn.

Williams on Wis. Nat'l Board

Dr. E. B. Williams, medical director, has been elected director of Wisconsin National Life, succeeding Allen C. Eastlack, who resigned recently as actuary and vice-president to go with Bankers Security Life at Des Moines.

Arthur H. Quay, president of First National Bank of Minneapolis, has been elected a director of Northwestern National Life to fill out the term of the late Henry E. Atwood.

Johnson Addresses I.B.A.

Organized public relations efforts are a necessary part of all business activity because of changes in conditions under which business operates, Holgar J. Johnson, president Institute of Life Insurance, told the Investment Bankers Assn. of America at its annual meeting at Hollywood, Fla. This has come about, he said, because of the gap between business management and its customers. Business must convey its story to customers over a wide area instead of just locally. In addition, he said, the public has a more inquiring mind and consumers have become more aware of business and how it serves the community. Finally, he said, it is public opinion which ultimately decides how a business must operate.

Murders for Insurance

Carthy Royals of Lakeland, Ga., has been sentenced to death for beating his two grandchildren to death and burning them to hide the crime to collect on \$500 insurance policies on the children's lives made out to his wife. A neighbor, said to have assisted him in the crime, is being tried separately on a murder charge.

1950 Called Peak Investment Year

(CONTINUED FROM PAGE 2)

Gulations of the VA and FHA will sharply cut housing starts in 1951, a reduction that will be reflected in the mortgage loan operations of the companies. The FHA and the home finance agency are preparing regulations to restrict mortgage credit on multi-family dwelling units which will reduce life insurance investment outlets in this field.

The high level of earnings and the strong equity markets which prevailed through most of 1950 enabled the corporate community to reduce its long-term borrowing despite a sizable increase in capital expenditures. The situation will extend into 1951, but the capital requirements of the country will continue at very high levels under any circumstances that seem at all likely now, Mr. O'Leary declared. The defense economy will add to the corporate demand for long-term money.

He commented that if the war in Korea spreads, it will be necessary to step up the armament capacity of the country and government financing will be a major factor in the capital market. Under such conditions, life insurance companies will be called upon to invest a substantial proportion of their funds in government obligations in 1951.

According to Mr. O'Leary, gross acquisitions of new investments by all U. S. legal reserve life companies aggregated close to \$8.3 billion during the first nine months of 1950, compared with \$6.6 billion during the first nine months of 1949. He said this indicates that the peace-time record of \$11.4 billion for the full year 1948 may be exceeded this year.

Many Short-term Governments

Although the holdings of U. S. government bonds were reduced on balance by \$1 billion during the first nine months of the year, the life insurance companies nevertheless acquired almost \$1.1 billion of these obligations, a large proportion of which were short-term securities, he declared.

While gross acquisitions of utility bonds during the first nine months of the year increased slightly over the amount in 1949, industrial and miscellaneous bonds fell off considerably. The acquisition of mortgages increased by 32% over the corresponding period a year ago, while repayments increased only 24%.

He termed fears groundless so far that policy loans might increase substantially as a result of the war. New policy loans rose noticeably in August, however, and totaled \$391 million during the first nine months of the year, up about 8% over 1949. "The even tenor of such loans and repayments very likely is more inflationary than depression-proof," he stated.

Interest Rate Crossroads

Mr. O'Leary opined that there are certain indications a crossroads has been reached with respect to government interest rate policy. He indicated the belief that if strong inflationary pressures persist, as now seem likely, the federal reserve board will be compelled, by the logic of its position, to raise short-term interest rates higher. This probably cannot be done without also raising long-term rates, he commented, observing that there has been much support in the federal reserve board for allowing short-term interest rates to rise as a means of combating inflation.

He discussed the move of the federal reserve board last August after the heavy inflationary pressures immediately following the outbreak of the Korean war when the board approved an increase in the discount rate at the New York Federal Reserve bank. Subsequently, through open market operations, the system has brought about a significant rise in short-term money rates, he declared.

Mr. O'Leary said, "There are parallel reasons in the field of public debt management why the existing present rates on long-term government securities, both marketable and non-marketable, need not be regarded as inviolate. It is widely agreed that a major cause of the inflation we are experiencing is that our money supply has expanded at a faster rate than the supply of goods and services. A large part of this expansion in the money supply occurred initially through the purchase of government securities by the commercial banking system during the war. Every effort should now be made to get as much as possible of this debt out of the banking system and into the hands of non-bank investors, thus reducing the money supply. In order to accomplish this purpose, however, the Treasury would probably have to make its securities more attractive to non-bank investors, and one of the effective ways to do this would be to allow some rise in long-term interest rates."

The A. & H. Club of New York will hold its annual Christmas party Dec. 14 at the Hotel Empire. Charles W. Francis, Service Review, Inc., is handling arrangements.

N.A.L.U. Still Backs Gratuitous Cover

(CONTINUED FROM PAGE 1)

should be more than \$3 per month, and suggested there be more extensive calculation of its cost. An NALU executive committee meeting Monday approved Mr. McKinney's statements.

Hearings Continue

Hearings continued Wednesday before the committee, with Elmer B. Staats, assistant budget director, testifying.

Senator George, chairman of the finance committee, introduced a bill to amend NSLI by providing automatic coverage for disabled servicemen since the Korean conflict began. Other NSLI benefits are extended in case of Korean veterans' death, their total and permanent disability with premium waiver, and in case of capture, besieging or isolation.

Rep. Rankin introduced by request bill to provide automatic gratuitous indemnification in principal sum of \$10,000 on death of servicemen, also protection against loss of insurability for them. No

government insurance would be issued after date of enactment of bill. However, coverage would be provided for those disabled from service-connected causes.

The bill would amend the soldiers and sailors civil relief act by authorizing the veterans administration, on application by a licensed life agent showing he and a discharged member of the armed forces have contracted for insurance on life of the latter within five years after discharge, to pay up to 12 monthly premiums after the contract has been in effect six months on a premium paying basis.

Such payments would be limited, however, according to a scale based on the length of active duty and face value of policy, maximum being \$125 payment by VA on \$10,000 policy of veteran having over four years active-duty credit.

Rep. Dague proposes no active duty servicemen shall be denied NSLI on account of health conditions.

The Fort Worth managers heard Gail Dixon, Prudential, and Jay F. Smith, Bankers Life of Iowa, review chapters from a recent book on agency building written by O. Sam Cummings, Texas manager for Kansas City Life.

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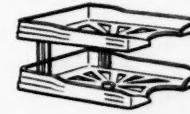


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NEWS OF LIFE ASSOCIATIONS

Southern Cal. Legislative Dinner Held at Pasadena

Sponsored by 11 local associations, the biennial dinner given in honor of southern California legislators was held at Pasadena. About 200 attended.

Lt. Gov. Goodwin J. Knight declared that the nation cannot afford appeasement of Russia if it is to continue to enjoy the American way of life.

Dr. Arthur G. Coons, president of Occidental College, an economic adviser in the U. S. and in Japan during of last war, spoke on "How Secure Is the American Economy?" He declared that the dollar should retain its value, that its purchasing power should be maintained, and that the general stability of our economic life must be upheld.

Richard J. Shipley, Northwestern Mutual, San Francisco, president of California Assn. of Life Underwriters, was toastmaster, with Frederick A. Schnell, Penn Mutual, Los Angeles, vice-president of the state association, as chairman of the affair.

Mortgage-Life Insurance Plans Rapped at Columbus

COLUMBUS, O.—Combined mortgage-life insurance being issued in Ohio was the subject of a spirited discussion at a meeting of trustees of Columbus Assn. of Life Underwriters. It was said that in spite of a ruling by the attorney general of Ohio and a directive by the superintendent of insurance, the home ownership plan of life insurance is still being sold in the state.

The association by resolution declared that such a plan for selling life insurance is not in the best interests of insurance, and the Ohio department was commended for carrying out the opinion rendered by the attorney general. Equitable Society has obtained a temporary injunction preventing the department from interfering with its "mortgage-life insurance" plan. The Columbus association declared that "it looks with disfavor upon any life insurance company which sells such insurance." National Assn. of Life Underwriters already has condemned the practice.

To Speak at So. Bend, Elkhart

Speaker before the South Bend (Ind.) Assn. of Life Underwriters Dec. 14 and the Elkhart association Dec. 15 will be H. J. Peirce, Massachusetts Mutual, Indianapolis, president of the Indiana association.

Vera Sundelson, associate general agent of Equitable Society, has been named editor of the monthly bulletin of New York City Life Underwriters Assn. She is active in city, state and National association affairs. Currently she is on the N.A.L.U. field practices committee.

Washington—The District of Columbia Life Underwriters Assn. board adopted a resolution that members who join the military service and have paid dues for the year will be refunded the cost of the luncheons for the balance of the year upon return of membership cards to the secretary-treasurer. After expiration of the year, the board decided, such members will be carried as on leave of absence.

The speaker was Lloyd Ramsey, general agent for Mutual Benefit Life at Memphis. J. Hicks Baldwin, general agent New England Mutual, was named director to fill the unexpired term of William L. Porte, Mutual Life, who has become a training assistant at his company's home office. It was reported that R. Wilford Kelsey of the Institute of Life Insurance had written a letter praising the educational committee of the association as having turned out the best organized program he has seen in a life insurance organization.

A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, N.A.L.U. trustee, will address the meeting on Jan. 18.

Salina, Kan.—The association has issued a 16-page yearbook under the di-

rection of May L. Rodenberger, Franklin Life, which includes programs for the year, membership roster, officers and committees, the code of ethics and message of President Robert W. Ellis, General American. A letter of commendation was received from John D. Moynihan, president of N.A.L.U.

Ladies' night was held Dec. 2, with Charles J. King, Mutual Benefit, Kansas City, speaking on "Work Habits and Mental Attitudes."

Goodland, Kan.—At a meeting of the Plainsmen association Eugene Zuspan, Goodland attorney, spoke on "Legal Matters and Estate Preservation."

Wichita—The annual Christmas party has been set for Dec. 15. It will also be ladies' night. C. A. Colby and J. C. Ledgerwood are in charge.

Austin, Tex.—Zollie Steakley, attorney for the Texas association, explained the problem of the insurable interest of a man in his own life in Texas. Texas is out of step with other states in this respect. He reviewed the efforts made at the last session of the Texas legislature to secure the passage of an insurable

FRATERNALS

Form Mich. F.I.C. Assn.; J. E. Little Is President

Michigan F.I.C. Assn. was organized at a meeting at Detroit attended by 12 of the state's 35 designation holders. Temporary officers elected were John E. Little, Maccabees, president; S. E. Noton, Lutheran Brotherhood, vice-president, and Elmer F. Semrow, Aid Assn. for Lutherans, secretary-treasurer.

Permanent officers will be elected at the first regular meeting at Detroit Jan. 8, prior to the dinner meeting of Michigan Fraternal Congress. Speakers at the first meeting will be Edward D. Schroeder, Aid Assn. for Lutherans, on the benefits of the F.I.C. designation; R. E. Morris, Maccabees, on the revised social security program, and R. Roy Peck, Aid Assn. for Lutherans, on selling.

Honored by History Group

Woodmen of the World Life was honored at Omaha by American Assn. for State and Local History for its program of marking historic sites.

Supt. Olson of Nebraska State Historical Society presented an award of merit which President Farrar Newberry and other national officers accepted.



A selected class of veterans and beginners increased their earnings \$7.50 PER SALE the first two months of the CAREER BUILDERS TRAINING PROGRAM sponsored by FIDELITY LIFE. \$7.50 was the average, some did far better. This carefully planned program is being broadened.

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Replies held confidential -- write

FIDELITY LIFE ASSOCIATION
FULTON, ILL.

interest law and said the Texas association will sponsor such a bill in the 1951 session.

Chattanooga, Tenn.—Mitchel T. Curtis, of J. D. Marsh & Associates agency of Lincoln National, Washington, D. C., spoke on "The Seven Steps to Success on Life Insurance Selling." He described methods of his agency in selling \$12 million to \$15 million of life insurance annually.

Tampa—Members recently were retrained in connection with the Hillsborough County Tuberculosis Assn. program.

Batavia, N. Y.—Delegates to the recent state association meeting reported. The finance committee held an auction for the benefit of the association's treasury. Auctioneer was Morgan Matson, Metropolitan, Perry.

Hartford—Robert C. Gilmore, Jr., Mutual Benefit, Bridgeport, N.A.L.U. trustee, spoke on "The Hot Stove League."

Port Huron, Mich.—C. Burton Clark has been named president by the directors to succeed John H. Forshar, who was transferred by his company to Lansing. Forrest E. White was advanced to first vice-president, succeeding Mr. Clark.

Martin J. Beckers, Flint, spoke on "What Makes a Star Salesman a Star?" He said a star salesman must have five points of superiority, in desire, preparation, prospecting, habits and courage.

Portland, Ore.—The association celebrated its 50th anniversary.

Pittsburgh—Owen W. Eames of Northwestern Mutual Life at Boston, is addressing a luncheon meeting Dec. 14 on "Persuasion Is Our Business."

Salt Lake City—Freeman Essex, Northwestern Mutual, Portland, Ore., spoke on "What Else Would You Do With Your Money?" J. Richard Barnes, secretary Salt Lake C.L.U. chapter, presented C.L.U. designations to those who qualified in June.

Nashville, Tenn.—H. P. Gravengaard, Diamond Life Bulletins, Cincinnati, spoke on "You in the Years Ahead."

District managers of **Atlantic Coast Life** at a meeting at Hartsville, S. C., heard a talk by A. J. Braid, state supervisor, Charleston.

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SALES IDEAS OF THE WEEK

Revise Programs to Catch Up with Inflation

David Oberst, assistant district manager of John Hancock at Germantown, Pa., told Philadelphia Assn. of Life Underwriters at the November luncheon how he has already put the revised social security act to work with tangible sales results.

Since getting the information about the changes in the act he has called on each of his clients whose insurance he has programmed. His first step is to study the effect of the revision on the man's case, providing for any changes that have taken place since his program was arranged.

The increased benefits are explained and dovetailed immediately into a discussion of how inflation has partly, if not completely, negated the value of the greater benefits in terms of buying power. "But it certainly will help us to improve the program you now own," Mr. Oberst says.

He described the case of a man he called Tom, age 39, his wife Natalie, 35, their son, Steve, 5, and their daughter Joan, age 1. When he calls he says: "Tom the social security law has been amended and I want you to see what has taken place in your case. The survivors' benefits for Natalie and the children have been increased from \$73 to \$131 until Steve is age 18, and then they have been increased from \$52 to \$98 until Joan is age 18, an increase of about 80%, and your own retirement benefits at age 65 have been increased from \$54 to \$80, an increase of about 50%." Then he takes away the value of the increases with the inflation discussion.

"The government is going to add a lump sum benefit of about \$200. We can include this in your clean-up and executor's fund and maybe add a small policy to bring that up to date. If we use the formula of deducting about 20% of your present income as your own expenses, the balance for at least the first year would be needed by your family and this would be \$4,800. Some of this will be available from the increased social security."

After a discussion of the increased benefits for the children, he says: "You know that if Natalie should have to go to work, and earns more than \$50 a month in covered employment, she will lose her share of the benefits. Do you realize what the penalty would be? Her share would be \$49 a month or about \$600 a year until Joan is 18—for 17 years. Now \$600 times 17 is a total loss of over \$10,000. Since the act has been broadened, it includes self-employed people. If Natalie wanted to start her own dressmaking business, for instance, she would be in covered employment and would lose her benefits.

"Natalie will be entitled to \$40 a month in addition when she is age 65, but you are four years older than she is, so I suggest that you take a policy to provide at least \$40 a month until she is 65, when her social security starts. This will bring your benefits up to at least \$120 a month when you are age 65. I know you will agree that it's not enough when you realize that public assistance today allows \$34 a month for one individual, which is bare subsistence and \$120 a month for two is not much better.

"How much income would you want to receive at retirement? About \$200 a month? The same insurance that will provide income for the family, if you should die, will probably be all you need to provide the retirement benefits you

want.

"Let's face facts. By now, we should realize that cheap dollars are here to stay for a long time to come. That is why the government is trying to catch up with the buying power of the dollar by increasing social security benefits. We will have to catch up by doubling our life insurance holdings, to provide the same material things now for our families and ourselves that we were providing 10 years ago."

"Lump Sum" on Wife Proves Effective as Sales Appeal

One industrial agent reports a close to 100% ratio of closes to interviews based on a simple approach to the housewife who comes to the door to pay her weekly premium.

"You know," he says, "you get a break under the new lump sum provision of the social security law. If anything happens to your husband, you'll get a cash payment of a couple of hundred dollars to help out with the final bills. But your husband doesn't get any help like that if something happens to you. Why don't you give him a break and add \$250 to your own clean-up fund?"

Juvenile to Uninsurables

Charles Moxhay of the brokerage department of Travelers in New York City, frequently issues a short sales bulletin to his brokerage producers. One of these asks "Have you slammed the door on uninsurables? Open it again—you found a ripe prospect for insurance on his children." The bulletin says: "Insure them while they're insurable. Don't you wish your dad had given you the advantages of low cost, high values, and the start of a permanent program?"

The bulletin then stresses the low premiums for the type policy being boasted and paid up or cash values at various ages.

Replica of "Billboard" showing in 69 cities in 1950 in support of the Great-West field force.

The Great-West Life representative is always busy, helping families provide future income out of today's income.

Dad the head of the house, knows that thanks to a complete insurance program, death, disablement, sickness or old age will not stop the income upon which his family relies and

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Pup doesn't bite the Great-West Life representative because he's a real friend of the family.

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Prudential Move Helps Those on Fence

(CONTINUED FROM PAGE 2)

of insurance, restricted or unrestricted. Except for agency pressure, there is little reason for underwriting departments to look favorably on insurance issued to service men in the lower pay grades. Even in peacetime mortality runs high and lapses are notably poor.

There is a general running for cover on the part of most companies which

interpreted our ephemerally successful drive toward the Yalu as reason to issue policies more or less as in normal times, with scant regard as to ages, or likelihood of military service. Companies, for example, which have written considerable business on military pilots are beginning to discourage their agents from the practice. Now, even with extra premiums, these companies are whittling, or have whittled, maximums to \$5,000, if there is no exclusion clause. Concerning the above, a spokesman for one company stated simply it did not want that type of business.

The claims, meanwhile, are mounting. Metropolitan, for example, has settled approximately 600 death claims resulting out of the Korean war, totalling close to half a million dollars.

On the subject of war damage, at the same time, to home offices and to company organization, almost all companies now have special committees which are endeavoring to set up plans to cover any catastrophe eventualities.

State Mutual Life has declared it is not contemplating at the moment any tightening of its current underwriting practices. Rather than fluctuate sharply, according to company statement, or often with the constantly changing currents, State Mutual says it has endeavored to maintain a steadfast liberal-conservative position. It hopes not to "veer" from its basic policy unless it finds itself forced to do so.

Connecticut General has made a very similar statement of policy, as to changes. In October it put into effect war and aviation clauses for individuals in certain categories.

Stricter Equitable Rules

Equitable Society has announced stricter underwriting rules. Since July it has alternately restricted and relaxed its requirements depending on the war situation. It will now adhere generally to stricter rules for policy issue although cases with demonstrably different facts meriting liberalization will be considered on an individual basis.

Applications on persons at present in or potentially slated for military service in 18-26 age group will be taken only from the company's agents. Men in the service or under orders will be limited to \$5,000. Term or term element policies will not be issued. Applications on military personnel will be taken only if they have the limit of NSLI. Applicants not in the above category will be limited to \$5,000 unless it can be demonstrated that there is no likelihood of their going into service. Then the limit goes up to \$10,000. Term will normally be refused. Men between 27 and 35 will be limited to \$10,000 unless it can be shown that military service is unlikely, when the limit will be increased to \$25,000. Term protection will be issued if no military service is likely. There is no special rule on men 36 and over unless the applicant is likely to enter service through reserve or medical status in which case he will be treated like the 27-35 group.

Insurance Men to Have Their Say at Senate Profits Tax Hearing

WASHINGTON—Ray Murphy, representing casualty companies, reserved time at Senate finance committee hearings Thursday on excess profits tax bill.

Life insurance interests have adopted an attitude of aloofness toward this legislation, so far as the Senate committee is concerned.

A casualty spokesman said the excess profits bill reported by the House ways and means committee is worse than original administration proposals, from the company standpoint. The spokesman said it would bankrupt some re-insurance companies.

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"You seem to have time to answer my smallest request," one of our Oregon policyholders wrote us. We hope we never become too big to do that.

We have shown the steady kind of growth we like. Last year we reached \$100,000,000 in force. But that number doesn't impress us nearly as much as do the human beings that sum represents.

Our business, our future and our lives depend on how well we serve our human beings in a human way.

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This quotation, by one of Vermont's most famous native sons, hangs in the offices of National Life underwriters all over the nation. We feel that the daily application by life insurance men of this compelling message has been a powerful force in selling the American people one of their most cherished possessions — family security through life insurance.

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Three ways to fight TUBERCULOSIS

The mortality rate for tuberculosis has declined steadily over the years. According to the National Office of Vital Statistics, the death rate in 1900 was 194 per 100,000 population. Today, it is less than 28—the lowest on record.

Despite the decline in the death rate, tuberculosis has by no means been conquered. Nearly 40,000 people in the United

States lost their lives last year from this disease, and over 130,000 new cases were reported.

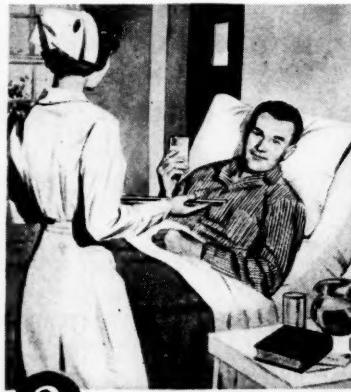
Doctors urge continued efforts to advance the fight against tuberculosis. They suggest three ways to do this—*detect the disease early, treat it promptly, and prevent new cases.*



1 Detect the disease early

The surest way to find tuberculosis *early* is through an X-ray examination at the doctor's office or at a chest clinic. It is especially important to take this step if a persistent cough, fever, a "tired feeling" or loss of weight occur—for these may indicate early tuberculosis.

The disease may, however, be a "silent sickness" and show no signs at the beginning. That is why it is wise to have X-ray pictures made during an annual health examination, or whenever a chest X-ray program is sponsored in the community.



2 Treat it promptly

If tuberculosis should be detected in an active stage, prompt and thorough treatment is essential—preferably in a tuberculosis hospital. This usually calls for complete bed rest which helps the body heal the infection.

Other measures may be used including surgery and drug therapy. New drugs, used as an adjunct to rest or surgery, have been especially beneficial in certain types of tuberculosis. There is hope that more effective ones may become available in the future.

Under proper hospital treatment, authorities say practically all persons with early tuberculosis have an excellent chance to get well.



3 Prevent new cases

To help prevent new cases of tuberculosis, specialists urge that those who have the disease remain in the hospital until their condition is under control.

In this way, families, friends, and associates are saved from the danger of infection, for tuberculosis is a "catching" disease spread through contact.

The likelihood of developing it may also be reduced if everyone guards against the disease by getting plenty of sleep, rest, proper exercise, and nourishing food.

Regular health examinations, including a chest X-ray, can usually detect tuberculosis before symptoms become apparent—and often before it becomes contagious.

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